# MeNATIONAL UNDERWRITE

-The National Weekly Newspaper of Life Insurance

# Mills Group Meets In Closed Session **But Defers Action**

Tax Subcommittee Ends Hearings; Industry Still Split 3 Ways On Formula

By ROBERT B. MITCHELL

The House Ways and Means committee's Mills subcommittee on internal revenue taxation wound up its hearings on life company taxation and met the following day in executive session. However, so far as could be learned it took no action on any of the proposals made by the industry or the Treasury.

Conclusion of the hearings found the life insurance industry split three ways and united only in opposition to the surprise move of the Treasury in setting its sights far higher than anyone in the industry had understood to be its goal.

"I think they're trying to scare us to death," a prominent life company executive remarked, not entirely in

#### Offers Some Consolation .

Chairman Mills of the internal revenue subcommittee, though plainly conscious of the need for finding revenue, offered some consolation by reminding the large group of life insurance people on hand that what the Treasury asked for it didn't necessarily get. By basing its proposal for a formula based partly on the invest-ment income approach and partly on total income, the Treasury came up with a tax levy that was little short of shocking. The company used in a Treasury example would pay \$163.500 inder one Treasury suggestion and \$137,500 under another, as against \$72,500 if the present law were re-

Apparently the Treasury was aiming lenty high, so that when the inevitable whittling-down process occurred (CONTINUED ON PAGE 13)

# Figures Decline 54%

Ordinary life sales in October were \$4,245,000,000, a 4% increase, and for the first 10 months of 1958 were \$38,-859,000,000, also a gain of 4%, according to LIAMA. Group life sales, on the other hand, totaled \$680 million in October, a decline of 54%, and for the first 10 months were \$9,006,000,000, a drop of 22%.

Sales of all types of life insurance were \$5,504,000,000, a decrease of 10% for the month, and for the 10 months were \$53,287,000,000, or down 3%.

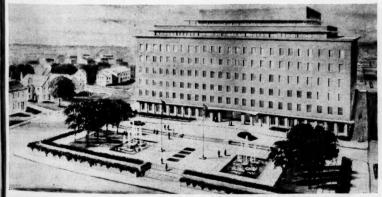
Industrial life sales of \$579 million during October showed an increase of 2%, and \$5,422,000,000 in sales for the first 10 months were down 6%.

# **Distinguished Names** On Program For LIA Meeting Dec. 10-11

NEW YORK—Speakers from outside life insurance at the Life Insurance Assn. annual meeting at the Waldorf-Astoria here Dec. 10-11 will include Gov. Meyner of New Jersey, President Charles Malik of the United Nations General Assembly, Edward B. Hanify, prominent Boston lawyer and a leader in business, civic and philanthropic activities, and six authorites in the hospital and scientific re-

search fields.
Frazar B. Wilde, president of Connecticut General Life and of LIA, will open the meeting the morning of Dec. 10 with his presidential address. This will be followed by a brief business session and a discussion of problems facing the business. There will also be reports covering life insurance investment experience in 1958, life insurance in force, new business, and disburse-ments to policyholders and benefici-

Gov. Meyner will be the luncheon speaker. The afternoon will be devoted
(CONTINUED ON PAGE 9)



PROVIDENT PLAZA-Artist's drawing of redesigned plaza in front of lanned new office building of Provident Life & Accident. Plaza will be 253 feet long and 90 feet wide. Construction on the plaza and building, which will have 270,000 square feet of gross floor space, is scheduled for sometime

# Ordinary Sales Gain National Underwriter Co. Changes 4% In October; Group Presidents As H. J. Burridge Retires

Herschede Elected To Head Firm With Which He Has **Been Associated 18 Years** 

CINCINNATI-John Z. Herschede has been elected president of the Na-

tional Underwriter Co. to succeed Howard J. Bur-ridge. Since 1940, Mr. Herschede has served the company as treasurer and in recent years as both secretary and treasurer. In these capacities he has been in close association with Mr. Burridge in administering the



affairs of the company. After graduation from college, Mr. Herschede became one of the executives of the Frank Herschede Co. of Cincinnati, a family enterprise. Early in 1940 his engagement to Elizabeth Wohlgemuth, only child of E. J. Wohlgemuth, founder and first president of the National Underwriter Co., was announced. John F. Wohlgemuth, brother of E. J. Wohlgemuth, was president of the company at that time. He felt that the future of the company would be assured and its management. philosophy and operating policies continued if Mr. Herschede became an active officer. There ensued a series of discussions which finally resulted in Mr. Herschede being elected treasurer of the National Underwriter Co. in July, 1940.

#### Plays Important Part

Following the election of Mr. Burridge as president in 1944, Mr. Herschede was given a more important part in the management and administration of the affairs of the company. He displayed a modern viewpoint and a full understanding of corporate problems. He assumed a principal role in 1948 when he began the reorganization of the company. He saw the wisdom of centralizing most of its procedures at the home office in Cincinnati and organizing the activities of the corporation into functional divisions. He is 50, has three teen-age daughters and is dedicated to the increasing usefulness of the National Underwriter Co. to the insurance industry.

#### Lewis W. Douglas To Address N. Y. Managers

NEW YORK—Lewis W. Douglas, chairman of Mutual of New York and former U.S. Ambassador to Great Britain, will be the speaker at the 30th anniversary dinner of the New York City Life Managers Assn. at the Waldorf-Astoria Hotel Dec. 8.

About 600 are expected to attend, according to Charles J. Buesing, Mutual of New York, association president. Benjamin D. Salinger, Mutual Benefit Life, is dinner chairman.

#### **Burridge Career Spans 45** Years, Contributed Much To Growth Of Company

CINCINNATI-Howard J. Burridge, president of the National Underwriter

Co. since 1944, has retired in accordance with the company's pension plan. He has been with the company 45 years.

Mr. Burridge started his career, after a period of intensive training, by traveling Ohio to get business and information for the Ohio hand-



the Ohio hand-book. At the outset of his career he devoted his energies to sales, but in 1918, due to an illness of the late C. M. Cartwright, Mr. Burridge was pressed into service as an editorial assistant and spent several years reporting.

#### Fills Management Need

In the early 1920s, however, the need arose for someone to manage the sales of the company, and he took over that work. He became sales manager and then general manager. He was elected vice-president in 1928, but continued to manage the sales division of the company until 1950, when C. P. Woods took over those duties.

When he was elected president, Mr. Burridge, who had had his headquarters at Chicago from the time he started with the company, moved to Cincinnati, where he now lives. One son, John C. Burridge, is managing editor of THE NATIONAL UNDERWRITER at Chicago, and another son, Robert, is a special agent of Crum & Forster in the Indiana field.

#### Entered Field In 1913

Mr. Burridge's career in the insurance publishing field, which began in 1913, has spanned an era in which the enormous growth of the insurance business has placed it in the top 10 of the largest and most important economic functions of the country. In that period, during which his own fortunes and those of his company paralleled widening scope of the business, Mr. Burridge has left a strong impression on the business and has guided National Underwriter Co. position of prominence in the insurance publishing field.

Despite his increasing duties on the corporate and administrative side of the company with its 25 sales offices, its two editorial offices, in New York and Chicago, and the home office in Cincinnati, Mr. Burridge never lost his interest in the editorial fortunes and activities of the two weeklies, the Life and the Fire-Casualty editions. the

Until recent years he attended and eported the meetings of Life Advertisers Assn., and he has continuously attended such meetings as those of American Life Convention, Life In-(CONTINUED ON PAGE 19)

# Hour By Hour Program Given For NAIC Convention At New Orleans, Dec. 15-19

The program of committee meet ings and plenary sessions, and the topics that are to be taken up are listed for the regular meeting of National Assn. of Insurance Commissioners, scheduled for Dec. 15-19 at the Roosevelt Hotel, New Orleans.

Matters exclusively of interest to

the fire and casualty insurance industry are not included.

#### Dec. 15

a.m.—Subcommittee on minimum group insurance rates, Smith of Pennsylvania,

chairman.

9 a.m.—Subcommittee on organization, ownership and certification of insurance companies, Parker of Virginia, chairman.

9 a.m.—Subcommittee on variable annuities and pension plan funding, Gerber of Illinois, chairman.

airman.

10 a.m.—Subcommittee on house confine-ent provisions in A&S policies, Binning of braska, chairman.

a, cnairman. a.—Subcommittee on state laws—in-regulation study, Vorys of Ohio,

surance regulation study, Vorys of Ohio, chairman.

11 a.m.—Subcommittee on deficiency reserves and mortality tables review, Sheehan of Minnesota, chairman.

11 a.m.—Subcommittee on regulation of advertising, Binning of Nebraska, chairman.

1 p.m.—Subcommittee on standardization of Blue Cross-Blue Shield regulations, Wikler of New York, chairman.

1 consideration of studies of several into

the operation of Blue con-plans.

2. Any other matter submitted for con-

2. Any other matter submitted sideration.

1 p.m.—Subcommittee on study of operations, Parker of Virginia, chairman, Knowlton of New Hampshire, vice-chairman.

2 p.m.—Subcommittee on credit life and credit A&H model bill legislation, Gerber of Illinois, chairman; Wikler of New York vice-chairman.

Illinois, chairman; Wikler of New York Vice-chairman.

1. Recommended that the blanks committee add a credit life column to "State Exhibit" in annual statement, and also a blank space for credit life on line 40, and a blank space for credit A&H on line 42 of the "State Exhibit" (Florida).

2. Any other matter submitted for consideration.

2 p.m.—Subcommittee on group life defini-

sideration.

2 p.m.—Subcommittee on group life definition, Howell of New Jersey, chairman.

1. Possible changes in NAIC model definition due to recent tax rulings which necessitate removal of sole proprietors and partners
as insureds under certain trustee types of
group life insurance.

2. Any other matter submitted for consid-

# **MDRT Chief Follows** Own Advice: Is First To Qualify For '59

Practicing what he preaches, Adon N. Smith II, chairman of the 1959 Million Dollar Round Table, sent in his qualification papers so promptly that he is the first member of the 1959 Round Table to be qualified. He didn't jump the gun, either, but waited till he got the official forms from MDRT headquarters, like all the other mem-

Mr. Smith, an agent of Northwestern Mutual at Charlotte, N. C., has become quite familiar in his three years on the MDRT executive com-mittee with the load that piles up at Chicago because applicants aren't as prompt—or as accurate—as they might be when they send in their qualification papers.

#### Serves As Reminder

By being the first to qualify, Mr. Smith not only enabled the headquarters staff to get one applicant's papers out of the way but, he hopes, helped to remind other applicants of the desirability of applying just as soon as they know they've got the million sold. Of course, in the case of life members, they don't even have to wait that long, unless they are waiting to see if they can apply as qualifying members as well as life.

eration.

3 p.m.—Subcommittee on commercial pension funds and trusteed welfare funds, Navarre of Michigan, chairman.

1. Forms subcommittee report

2. Any other matter submitted for consideration.

sideration.

Dec. 16

9 a.m.—Joint meeting:Preservation of state regulation committee, Navarre of Michigan, chairman; McConnell of California, vice-chairman, and Federal liaison committee, McConnell of California, chairman, and Rogan of Wisconsin, vice-chairman.

10:45 a.m.—Plenary session—1, Northington of Tennessee, president, presiding.

2:15 p.m.—Laws and legislation committee, Gerber of Illinois, chairman; Wikler of New York, vice-chairman.

2:13 p.m. Gerber of Illinois, chairman, n.m. York, vice-chairman.

1. Organization, ownership and certification of insurance companies. Subcommittee

report.
2. To study and review state laws necessary and essential to state regulation. Subcommittee report.
3. To study and review the principle of extra territoriality of state laws.
4. Any other matter submitted for con-

sideration.
3:45 p.m.—Valuation of securities commit(CONTINUED ON PAGE 19)

#### MINIMUM DEPOSIT:

# **AALU President For** v York, chairman. 1. Consideration of studies of several into operation of Blue Cross-Blue Shield Fullest Disclosure If Lapse Is Advised

NEW YORK-Where the giving up of insurance is being advised in connection with a sale on the so-called minimum deposit plan, the insured should be given the most complete information on both the old and the proposed coverage, going even beyond the strict requirements of the New York law, in the opinion of Merril P. Arden, Connecticut Mutual, New York City, president of Assn. of Advanced Life Underwriters.

I heartily agree with the editorial in your Nov. 15 issue in which you urge that representatives of agents' groups be invited to the New York department's Dec. 5 conference on alleged abuses in connection with the sale of the minimum deposit plan.

As president of AALU, I suggested to the department that I would like to be present but received a reply from (CONTINUED ON PAGE 18) Small Companies For Mills Law, Tax On Insured Pensions

National Assn. of Life Companies favors a permanent income tax formula based essentially on the present Mills stop-gap law with modifications to take care of minor defects in the measure which have shown up in experience.

The proposal was offered at the hearing of the Ways and Means internal revenue subcommittee by Ellis Arnall, chairman of NALC and of Coastal States Life of Atlanta and former governor of Georgia.

NALC would change the 1956 formula by striking the present formula in section 804 and writing a new one to provide that the deductions shall be: (1) 90% of so much of such excess as does not exceed \$250,000; (2) 85% of so much of such as exceeds \$250,000 and does not exceed \$1,250,000; (3) 82% of so much of such excess as exceeds \$1,250,000.

#### Sees 19.6% Increased Yield

"Such a formula would yield to the Treasury an increase of about 19.6%, which is approximately the appropriate figure," said Mr. Arnall. "We regard it as about 1.3% excessive, chiefly because of the increase upon companies with investment income between \$2.5 million and \$7,750,000, but this excess is negligible and should not affect the competitive position of the companies involved. This estimate is based upon calculations indicating that the true profits of life companies for 1957 aproximated \$678.5 million.

"It may be argued that the slight tax reduction for very small companies is unjustified. This association believes otherwise. Acquisition costs and renewal expenses in this category of companies have risen sharply in the past three years and expenses have increased markedly in the past three years. Since their investments are primarily in governments and in longer-term conventional mortgages of a type that may be described as 'tailormade,' their profits have declined sharply. From the standpoint of equity,

# Sen. O'Mahoney Fizzles As Big Item Of NAII Rally

Says Little Concerning Insurance In Talk Or At Press Conference

#### By JOHN BURRIDGE

MIAMI BEACH-The big firework display of the National Assn. of la dependent Insurers' annual meeting here fizzled out weakly. Sen. Josephare O'Mahoney, billed as the sta attraction, drew an overflow audier to the luncheon Monday and sai almost nothing about insurance.

Fortunately, Miami Beach has a tractions of its own and NAII has vitality which is not diminished by single washout. Speakers getting less billing than the senator offered con structive or challenging contribution to an exceedingly full program, an registrations of more than 800 insur good attendance for each session. The theory and position of the indepen dents was given as thorough a de liniation as it has ever had from suc speakers as Vestal Lemmon, NAI general manager, and Arch Northing ton, Tennessee commissioner an president of National Assn. of Insurance Commissioners. Other speake gave in detail the new program f dealing with the uninsured motoris how to handle the NACCA menao and other subjects of interest.

#### Press Misses Chance

The insurance press, given an opportunity to interview Sen. O'Mahone on his congressional investigation state regulation, blew its chance a allowed the questions to drift on such subjects as the possibility of wa with Russia or what can be don about so much foreign production consumer goods. This fiasco, however was accomplished with the help of the senator, who answered with su disgressions as to lead the matter a hand always back to the issue of the economic war being waged by the communists.

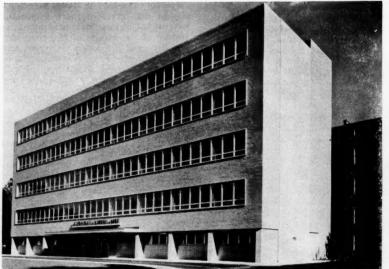
#### Says Little On Investigation

In his prepared talk at the luncheon Sen. O'Mahoney threw little light of the investigation he is conducting. The principles of freedom of action, regu lated by the government, were plored and warnings were offered the dangers of communism. In honly concrete reference to the inve tigation, the senator said:

"I can say now, as I have s repeatedly on several occasions, the the senate subcommittee now engage in a study of the insurance indus has no desire whatever to supp state regulation. I have no hesitation saying, however, that no attempt by the managers of any branch insurance to take regulation into the own hands is justified by any profision of constitutional or status law."

Sen. O'Mahoney did little deviat from his prepared text. At one police he said dramatically as an aside the (CONTINUED ON PAGE 6)

American United Life will celebrate its attainment of \$1 billion of insurance in force at a later date in conjunction with completion of a new \$2.5 million addition to the home office at Indianapolis. Three floors of the 5-story wing he does not believe in government already are occupied and work is in the final stages on the other two.



THE NATIONAL UNDERWRITER. Life Insurance Edition. Published weekly by the National Underwriter Company, Office of Publication, 175 W. Jackson Blvd., Chicago, Ill., U. S. A. 62nd v. No. 48, Saturday, November 29, 1958. \$7.50 per year (3 years \$20); Canada \$8.50 per year (3 years \$23); Foreign \$9 per year (3 years \$24.50). 50 cents per copy. Entered as second class me a s

Rally g

GE

firework l meetin en. Josep w audienc and sai rance.

h has at-IAII has ished by tting lesser fered conntribution gram, and ession. Th e indepenugh a de

from suc Northingioner ar of Insurrogram fo d motorist

o'Mahone stigation chance a drift on ility of wa n be do oduction o, however help of the with suc matter

ed by t n e luncheo tle light of ction, regu offered

sm. In

issue of th

the inve have sa ow engag ce industr to suppl o hesitatio no attem branch on into th

any prof tle deviati At one poi n aside th governme GE 6)

A. 62nd 7s



CHARLES CRUMBLEY

Charles L. Crumbley of Laurel, Mississippi, had no previous insurance experience when he came to Franklin, In 1956, his first full year, his earnings totaled \$8,131.88. In 1957

he earned \$10,791.94. He expects to end 1958 with from \$13,000 to \$14,000 in cash earnings. His sales are almost

entirely on Franklin

Special Plans.



# Happier every day

Laurel, Mississippi September 19, 1958

Mr. W. W. Chamberlin, Jr. Southeastern Division Manager Montgomery, Alabama

Dear Bill:

I get happier every day with the "friendly" Franklin. Thank you for the opportunity to be of service to my fellow man and to make a start towards becoming a financial success.

Although I have been associated with you fine folks less than three years, my future certainly does look bright. In 1956, my first complete year, I earned \$8,131.88; in 1957, \$10,791.94; and at the rate I am going my 1958 earnings should be between \$13,000 and \$14,000.

Just think, Bill, without any previous life insurance experience I find myself with a company whose liberal commissions and merchandise makes it possible for me to increase my earnings over \$2,500 per year. Our sales-minded Home Office Executive staff with the wonderful Franklin Specials and promotional ideas is largely responsible for my success. In August I made 15 sales, annualized premium \$3,693.20; in September to date, 24 sales, annualized premium \$3,098.85-all on Franklin Specials.

I am deeply grateful to you and the others who have helped make this possible.

Sincerely,

**Charles Crumbley** 

P.S. This new Franklin talking picture on the President's Plan (Assistant Salesman) is really a honey.

An agent cannot long travel at a faster gait than the company he represents!



The Friendly

FRANKLIN LIFE COMPANY

CHAS. E. BECKER. PRESIDENT

SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

The largest legal reserve stock life insurance company in the U.S. devoted exclusively to the underwriting of Ordinary and Annuity plans

Over Three Bill.on Dollars of Insurance in Force

Ken

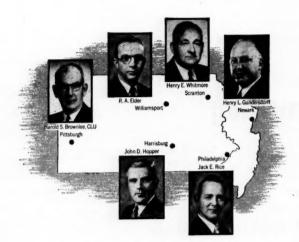
dire

outl

as "

men sion that

NO. 11 IN A SERIES



EQUITABLE LIFE OF IOWA IN

### PENNSYLVANIA and NEW JERSEY

From the steel mills of Pittsburgh through the mid-state coal mines and oil wells to the shipyards and factories of Philadelphia, Pennsylvania bristles with heavy industry. New Jersey is one of America's major industrial centers — the greatest single industry being chemicals. These two states are of great importance to the economy of our nation. By the same token, these six general agents and their agency associates are major contributors to the overall sales and service of





Loans are available for you on your renewal commissions—for additional working capital, for business expansion, for personal use. Prompt, efficient, confidential service, from the outstanding organizations of the confidence of the confiden tion specializing in direct loans to life insurance underwriters.

#### Life Underwriters Service Corporation

Mail this Coupon today	Life Underwriters Service Corp.  Security Bldg., Denver 2, Colo.  I am interested in your service. Please send further information, at no obligation to me.  Agent  Name
	Address
	CityState
	3.

### Study Shows Tax Bears Unevenly On Various Categories

WASHINGTON-A recent study of the effect of current federal tax laws on life companies indicates a need for a more logical and equitable distribution of the tax load than at present, said Richard C. Guest, vice-president of Massachusetts Mutual Life, in a statement presented to the House Ways and Means committee.

Mr. Guest asked favorable consideration, as permanent legislation, of a Treasury suggestion for combining the investment income approach to life company taxation with the total net income approach. This, he said, would result in the most nearly equitable distribution of federal income tax

among the companies.

Mr. Guest said that a list of 171 stock and 68 mutual companies was chosen for the study to compare their federal income taxes for 1956 with their adjusted gross receipts. These stock and mutual companies, classified into four income groups, represent 94% of the total taxes paid by all life insurance companies for that year. These groups were stock and mutual companies with adjusted gross receipts of less than \$10 million; those having adjusted gross receipts be-tween \$10 million and \$20 million; those with \$20 million to \$500 million, and with \$500 million or more.

An analysis of these groups shows that in all four classes or groups of companies, the incidence of present federal taxation falls more heavily on mutual than on the stock companies,

Mr. Guest said.

"Evidently," he said, "as of today
the burden of the tax is quite different
between different classes of companies and different groups within the classes. It appears from an analysis of the \$20 million to \$500 million companies that the tax burden related to adjusted gross receipts in the case of stock companies is slightly more than one-half that in the case of mutuals.

"An analysis of companies with less than \$10 million, and of those from \$10 million to \$20 million shows clearly the special consideration which has been given to smaller companies so as to encourage organization and development of new life insurance companies in this country. Further analysis of these two groups reveals that the tax burden on the small mutuals is substantially higher than the burden on the small stock companies, al-though the difference between stock and mutual in these groups is less marked than is the case of companies between \$20 million and \$500 mil-

#### Treasury's Suggestion Noted

Discussing the Treasury's suggestion for combining the investment income approach with the total net income approach, Mr. Guest said:

We are in support of the plan suggested by the Treasury. It appears to us that it could be a reasonable and equitable middle ground. The 'surplus interest' phase of the method would avoid repeated studies and enactments which have been characteristic of previous methods of taxing investment income. The 'surplus interest' method is extremely stable from year to year. The underlying 'surplus interest' method which dominates the Treasury suggestion would result in a stabilized yield which should grow from year to

Mr. Guest said that any new law

# New York Life Takes L Strong Stand Against H Minimum Deposit

NEW YORK-At the suggestion its agents advisory council, New Yer Life has written to its field force the ing its reasons for emphatically oposing the issuance of contracts a signed for the minimum deposit plants of selling life insurance. The subwas discussed at some length at an cent meeting of the council. The letvice-president Dudley Dowell, a plains briefly the workings of the pland the council's discussion of it, the state of the pland the council's discussion of it, the state of the pland the council's discussion of it, the state of the pland the council's discussion of it, the state of the plant of the plan continues:

New York Life does not issue a policy designed to be used in com tion with so-called minimum depo arrangements, nor do we have plans for issuing such a policy. Unit these high early cash value police the first year cash value is general in excess of the balance on hand an payment of commissions and other penses, so that there is a loss if a policy lapses. In a mutual company such losses must be, of comborne by those who continue the borne by those who continue policies.

The very core of these mini deposit arrangements is an anticipa tax savings. They necessarily must sume that the tax laws will not changed in the future and that loan interest deduction for income purposes will continue to be allo And, of equal concern, the assumpti is usually made that the prosper top federal income tax bracket continue to be about 50% or hig

#### Personal Circumstances Can Chang

Personal circumstances, of cou change and, under any tax law, to consequences can be stated for present only. Such tax advantages the law now gives could be cance out overnight—and this would, course, demolish any plans lar

should give small companies prefe tial treatment. "Moreover," he s "provision should be made for special risk involved in long-ran low non-participating premium g antees. After these two special quirements have been fulfilled in new law, over-all equity will not achieved until the remaining char teristic difference in tax burden vealed by this study has been larger removed."

# Levering Cartwright **INSURANCE STOCK**

Life-Fire-Casualty

Cartwright, Valleau 🕹 (

Board of Trade Building Chicago 4, Illinois

Teletype CGH WAbash 2-2535

we ca must that o we ha tance Manag For develo been d

M.

sense,

judgii

gest f ingly

But

perseve have s of occa our org other c them or where fully b

with ro

and 32

On th When was intr and hav than tw have to of its u ecause value, b practical

ment is number cannot would li some us We use

ing agen

manageri who reg

akes

sit

New Yell force the tically and tracts in

eposit ph

th at an

The letter Execution owell, ear of the plan of it, the

t issue an

um depos

olicy. Under

hand at

nd other a

al company , of cours

se mini

anticipal

rily must

will not h

r income

be allowed assumption

ne prost

bracket w

an Change

tax law, tated for f

be cance

plans lar

nies prefer er," he s

nade for

n long-ra remium g

o special

y will not aining chan

x burden

s been lan

twright

STOCK

sualty

eau & 0

Building

letype CGM

inois

would,

# LIAMA's CAP Test gains Has Many Uses For **Smaller Companies**

in his remarks on the career analysis procedures developed by LIAMA. wing the symposium on management development at the association's annual meeting in Chicago, M. K. Kenny, assistant general manager and director of agencies of Excelsior Life, outlined how CAP has been put to work by what Mr. Kenny referred to as "a modest Canadian company." In his talk "A Company Looks at Manage-ment Development," a condensed version of which follows, he emphasized that even when CAP is utilized on a limited basis it can be a helpful adjunct to the manager selection process.

I wonder why more of our life insurance companies have not set as firm policy expansion

programs where the rate of expansion is determined

M. K. Kenny

by the ability to develop managers from their own ranks, where a new agency is opened only when there is an acceptable new manager selected from among their own M. K. Kenny people, ready and anxious to take over. To me that makes

sense, but perhaps it clashes completely with the current American fetish of judging success in terms of getting biggest fastest. A proponent of that seemingly sound program might be the most nesome soul in the industry today, a voice crying in the wilderness.

But however we look at it, it appears

we cannot take chances too often. We must employ the best selection processes obtainable. In our small way, that of a modest Canadian company, we have recognized the prime importance of managerial development and we have made an honest effort to get somewhere with it.

Management Training First

For these last several years we have developed our own managers. This has been difficult for a company our size with roughly 220 or so full-time agents and 32 branch offices, but we have persevered. I must admit that we have stepped out of line on a couple of occasions and have inducted into our organization promising men from other companies. But we have taken them on as supervisors in our branches where they can be trained in our management methods and appraised fully before they are appointed as

On the whole it has worked well. When the career analysis procedure was introduced we embraced it eagerly and have put it to good use for more than two years. In our company we have to date concentrated on just one of its uses-managerial selection, not because we think the other areas lack value, but rather because its greatest practical usefulness to us at the mo-ment is in that field. With our limited number of interviewing personnel, we cannot employ it as widely as we would like to, but we have enjoyed some useful by-products.

We use it chiefly with those promising agents whom we regard as having managerial potential and those agents who regard themselves as promising

managerial timber and want an op-portunity to prove it. We have not found it practicable as yet to expose our whole field force to preliminary screening or to use its analytical advantages for the purpose of further developing the capacities of our career agents.

Naturally we have had our disappointments. There is the case of the reasonably satisfactory agent who had been approached by another company with a view to a supervisory appoint-ment. We gave him the CAP and concluded that he had utterly no capacity for management but that he might develop into a better career agent with some specialized training. He appeared to be quite satisfied with our diagnosis and prescription and within two weeks accepted the job with the other company.

Left After Trial

There is the case of the candidate who we decided had a good supervisory potential but who needed some L.A. Life Managers Meet experience in that field under supervision. After a trial period in his new position, he left us to assume a position in an agency department of another company.

Perhaps our biggest disappointment arose in the case of a young but experienced agent who we decided had outstanding potential as a manager. We advised him of this fact, which fulfilled his ambition, and we were putting the finishing touches on his training before appointing him when he suddenly decided to leave the business.

And there was the case of the career agent who wanted to be a supervisor but who did not have the capacity. This poor fellow was so

broken up when he received our decision that he almost became a mental

In spite of these discouragements, which have been a small proportion of our total cases, it has been effective. We have appointed supervisors in whom we have confidence; we have persuaded others that their futures can best be served by development as career agents. We have another group of agents who are getting special training to remedy deficiencies which became obvious in our interviews in the hope that they will qualify for management at some future date.

We exposed some of our previously appointed supervisors to these tests to determine which should have priority for managerial openings. It may be of interest to know that two or three of these supervisors returned to personal production as a result of these interviews—apparently quite happily.

Bruce Bare, general agent at Los Angeles for New England Life, at a recent meeting of Los Angeles Life Managers Assn., presented a picture of his agency's operation and analyzed

He covered 10 areas, including re-cruiting, pre-contract training, training financing, office responsibilities, agents' service, business management, attitudes and what he called "the little things." Of particular interest was his breakdown on cost figures as related to net agency earnings. Only through careful study of these factors, Mr. Bare said, was he able to determine where the weaknesses of his agency lie, and what procedures must be taken to strengthen the weak areas.

# Davis, Warters For Combined Net Gain, **Investment Tax Base**

WASHINGTON—A Treasury de-partment suggestion for a new method of taxing life insurance companies combining the essential features of both the investment income approach and the total income approach was endorsed by Deane C. Davis, president of National Life of Vermont, and Dennis N. Warters, president of Bankers Life of Iowa.

Mr. Davis made it clear that he was speaking as president of National Life and not for the American Life Convention-Life Insurance Assn. of America joint tax committee, of which he is chairman. In supporting the treasury half-and-half plan, he emphasized that it was on the assumption that it would employ either the present stop-gap plan or the plan proposed by the joint tax committee's subcommittee headed by president Walter O. Menge of Lincoln National Life, since these were the only bases under consideration in the talks with the Treasury people.

Mr. Davis said the basis the Treasury had unexpectedly proposed the previous day, which he called "the equivalent of the 1950 basis," would be "such a monstrosity that my conscience would not allow me to support

Mr. Davis told a House Ways and Means subcommittee that a combination of the two basic formulas could preserve the best features of both plans and eliminate many of the disadvantages of each.

#### Theory Has Weaknesses

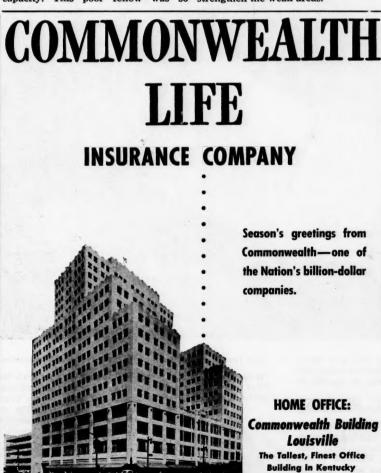
The investment income theory has weaknesses, he said, which stem from the lack of uniform need for reserves among companies, from the fact that new inequities are created because the tax law applies industry averages in an effort to overcome this lack of uniformity, and because the great in-crease in recent years in term insurance, group insurance, credit insurance and accident and health insurance has given rise to insurance company specialization in these types of insurance which require only small reserves and hence result in low investment income

Moreover, he said, under present life company tax laws based on the investment income approach, taxes on the companies have been in direct proportion to their net investment income only, and no part of these taxes has been related to the underwriting gains of the companies.

"It is clear that under these circumstances a tax will fall with undue severity on those companies whose net investment income is large in proportion to underwriting gains," Mr. Davis said. He then cited statistics showing that in 1957 the taxable investment income of 10 large mutual companies exceeded their net gain by 104.5% whereas the taxable income of 30 stock companies issuing non-participating policies amounted to only 28.3% of their net gains.

Discussing the total income approach, Mr. Davis stated: "There are also serious difficulties in applying a total income approach to all types of compa-nies and all classes of business."

He said a large body of opinion be-(CONTINUED ON PAGE 10)



Sa

is I

LIA

On

LIA

that

with

inter

hette

than

subje

тапа

caree

An

rema

One

to the

# Sen. O'Mahoney Fizzles At NAII Meeting

(CONTINUED FROM PAGE 2)

He went on to say that government information in the U.S. Department of regulation is essential, however, to Defense, Russian-Argentine trade reprevent monopoly.

At the conclusion of his talk, he added an appendix in which he rehashed some of the matters he touched on at his press interview, this including Russian steel production, the Egyptian situation, sputniks, Arabian stu- more than \$7 billion, and declared

control of business, drawing applause. dents in various countries, classified guided missiles, and the lations. national debt. He commented on the drop in life company investments in government securities to approximately \$7 billion, noted that interest charges on the national debt total

with evident feeling: "Let the insurance industry of the United States put that in its pipe and smoke it."

The press conference disintegrated with the first question, "What will be the scope of your insurance investiga--it being from this springboard tion?" that the senator jumped into a 15-minute discourse on all manner of things, some of which are mentioned above. The tone having been set, it above. was difficult to get the matter back to insurance, and some of the dozen for so questioners had no concern

whether it did anyway.

It was brought out that the conmittee will look into all areas dinsurance for examples of restrain of trade, and none will be tolerated Conspiracies against the consum of insurance are illegal," the sena said, and prohibitions against the must be enforced. He said he has a desire to deprive the states of the power to regulate insurance, but h wants to make sure the buyers protected from policies with micks." Asked later on what gimmicks consist of, Sen. OMahon answered that he is preparing a report and mention will be made of the when the report is released.

#### Communist Issue Pervades

The senator surrounded all comments on the investigation w his urgent concern over the progre being made by communism, tying a his replies into this overriding issue The discursiveness of his answ allowed less time for the newspape men to get their oar in, and in a only about 10 questions were asked. was a friendly session.

Asked if there might be a violati of the intent of the McCarran Acti states having rating bureaus to wh all companies must belong, Sen. O'Ma honey said if the effect would be license price fixing, it would be violation. It is a matter of good fait he added.

Do the underwriting losses m companies have suffered in the two or three years indicate the public is getting a good break?

It might be, the senator admitte but what if it is shown that insurar companies were merging with bankin institutions or building and loan orga izations? Or that the surpluses insurance companies are greater th

The fact book of life insurance published by the Institute of Li Insurance was used by the senators a source to show the change in li company investments from government securities to mortgages and restate. He quoted the figures with air which indicated he felt this was matter of great significance, and si it comes back to the question of 8 economic war with communism.

The press conference wound with the senator being called away appear on TV. Before he left, he she doesn't believe prosecution of on panies under the anti-trust laws s save the situation. The big compa when sued, he declared, can take a cases up and down in the com Rather, it is imperative that gover ment and business leaders devise formula to keep open the door competition.

The NAII meeting was open with greetings from Commission Larson of Florida and a response Preston Estep of Transit Casualty

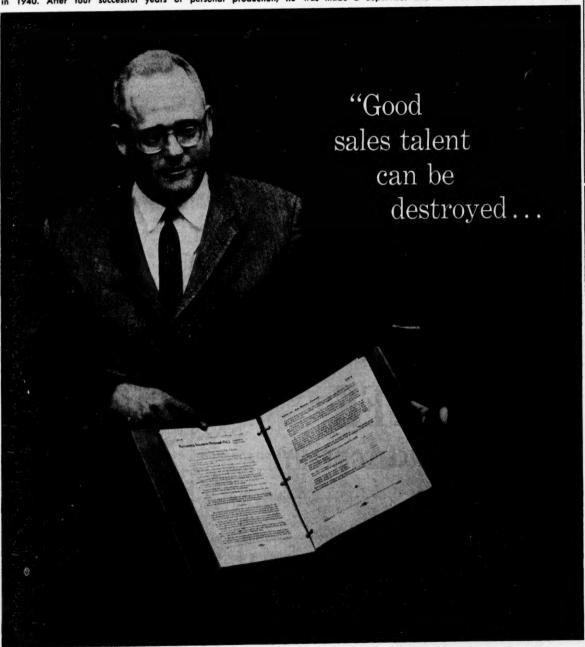
#### Eye Tenn. Credit Laws

The Tennessee state legisle council has recommended that 1959 legislature consider the ment of laws to provide more string regulation of credit life and or A&S.

> CONFIDENTIAL NEGOTIATIONS FOR SALE OF INSURANCE COMPANIES

Raiph F. Coiton Chicago 3, FRanklin 2-1404

ROBERT A. SCHENKELBERG was named Cleveland General Agent for the Berkshire Life in 1954. He entered the business as an Agent in 1940. After four successful years of personal production, he was made a Supervisor and in 1946 he became a Manager.



... before it's even developed, simply by taking a man's sales ability for granted. Berkshire's field management takes nothing for granted...in equipping its agents to meet every kind of sales situation."

"I've heard new Berkshire agents praise the effectiveness of their basic training.'

"That's only the beginning! Berkshire's training program never ends. It utilizes the most modern audio-visual techniques - including motion pictures that simulate actual sales conditions - to develop and maintain peak sales efficiency. Coupled with basic through advanced texts, it's

"That certainly sounds like a terrific program. And it makes good sense! I know from experience that it takes more than text-book learning to make a successful salesman."

"Berkshire's training people learned from experience, too! They know the value of training, effective and continuing supervision, and how it affects a salesman's income. That's

why I'm convinced today Berkshire presents the greatest potential for personal growth in the industry!" ERKSHIRE

LIFE INSURANCE CO. Life, Accident & Sickness, Pension Plans, Annuities

W. Rankin Furey, C.L.U., President George D. Covell, C.L.U., Agency Vice President PITTSFIELD, MASS. . A MUTUAL COMPANY . 18

alysis ing e produ ducer. may compa may ( wants

passin

living Nati they h make the ag it take withou especia pany i

CAP . The been a Ed I cut ma and 19 droppe he had manage

and he to do.

take th

him the

ment h

with u Ed r sales a aptitude recomm own s dvice. the resi

that he agent. I this yea \$350,000 ine m Another

Tom ells abo Phoenix He enjo been con he shou superint that he o see if

happier and his im, nod

f work

Follow

n wh

the com-areas of restraint

tolerate

consume

he senat

he has n he has n es of the ce, but he buyers an

ouyers an with "gim-what the OMahon; ng a reporte of the d.

d all higation with

ne progre

n, tying all

is answer

newspaper and in all re asked l

a violatio

rran Acti

us to which Sen. O'M vould be a

good faith

losses mod in the las e the public

or admitted at insurance

loan organ-surpluses d greater tha

e insurar

e insurantute of Line senatoral ange in line om governges and mures with a literal ange in line om governges and mures with a literal ange in line of literal ange.

nunism. wound

ig compa

can take the count that govern ers devise

the door

aws

e legislati led that a r the ena-nore string e and cos

#### Satisfied Producer Is By-Product Of **LIAMA** Manager Test

One of the very solid advantages of LIAMA's career analysis procedures, according to Clifford L. Morse, agency vice-president of Phoenix Mutual, is that many fine, established agents with little or no potential for positions in management come away from the interviews convinced that they are better suited for careers in production
than in supervisory
Morse discussed his views on the
subject during the symposium on the industry.

Using procedures employed in profuse fessional TV newscasting, kinescopes, tape recordings, motion picture clips and slides will be electronically cued subject during the symposium on management development through career analysis, at the annual meeting of LIAMA in Chicago.

An abridged version of Mr. Morse's remarks follows.

One of the real dividends payable to the company using the career analysis procedures is its value in retaining established agents.

The need may arise when a good producer, who should remain a producer, gets the management bug. This may happen because a competitor company shows interest in him. Or it may occur because the agent himself wants to be reassured that he isn't passing up a better way to make a living through management.

Naturally, if his home office thought they had a candidate for management they should take the initiative and make the offer themselves. But when the agent is unsuited for management, it takes a lot of tact to convince him without upsetting his morale. This is especially true if the competitor company is flattering him with an attractive offer.

#### CAP Answers Problem

The career analysis procedures have been an effective answer to the problem. Let me give you two illustrations: Ed Hege of Washington is a cleancut man of 36 who was contracted in 1948. He sold about \$500,000 in 1955 and 1956 but in 1957 his production dropped to \$300,000. We were told that he had been upset by an offer of It this was management from another company ace, and so and he was still worried about what estion of 10 to do. We invited him to Hartford to take the career analysis tests, assuring him that if he was fitted for management he could have the opportunity with us.

lled away left, he si ition of con ast laws w Ed rated high on knowledge and sales ability but low on management sales ability but low on management aptitude and supervision. We showed him the results and gave him our recommendations for improving his own sales operation. He took our advice. In fact, he said he anticipated the result—that as he was answering the queries it he agree the result. was open that he would be happier as a career commission response to the questions it became clear to him that he would be happier as a career agent. He returned to Washington, and this year is back on the track with the Casualty statement of the casua ine months.

#### Another Case History

Tom Moran of Rochester, N. Y., sells about \$300,000 a year. He joined Phoenix in 1953. He is 32 years of age. He enjoys personal production but has been concerned as to whether or not he should try management. Our area superintendent of agencies suggested that he take the career analysis tests to see if he were fitted for this kind. TIATIONS to see if he were fitted for this kind of work.

PANIES Following the interviews we told him why we thought he would be happier to continue as an agent. Tom and his wife, who had accompanied him, nodded their heads in agreement (CONTINUED ON PAGE 17)

@ LN L

#### Institute Meeting To Feature History Of PR In Life Industry

A large part of the morning session of the annual meeting of Institute of Life Insurance at the Waldorf-Astoria Hotel in New York, Dec. 9, will be devoted to an audio-visual presentation of the highlights of the last 20 years in the development of public relations in the life industry.

into the narration which will stress the progress made in public relations by the business at both the institutional and company levels.

The presentation technique will enable the more than 500 life company officials expected at the meeting to place in perspective the growing imortance attached to sound public relations in all areas of the business. The presentation will emphasize the evolution of a public relations philosophy for the life industry and its application.



# MIAMI

The finest place in the country for you and your family to live and work.

Agent's and General Agent's contracts available to qualified men. Incentive Financing-Free Group Hospitalization and Life Bonuses.

#### STOCK OPTIONS

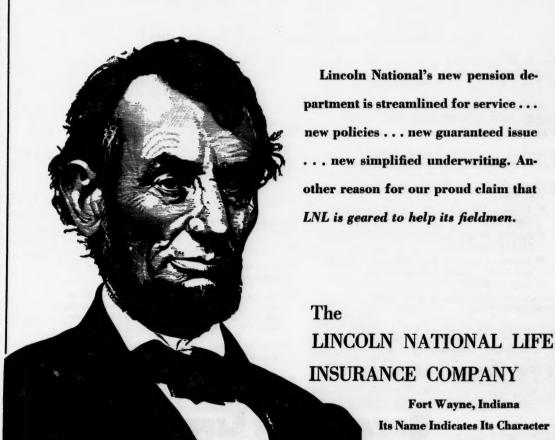
Send résumé and photo to: Granville H. de Roode

American Life Savings Insurance Co.

2397 Coral Way

Miami, Florida

# Modern Service In **Pension Business**



Nov

Sm

In I

affec

Treas

less 1

insur "W

mitte

increa

equita

profit

taxed

shoule

nolicy

upon

posals

taxati on gr

contra

have o

Pleth

For I

underw

able So

is a pa

clude dent of Amber pital A

dent of Stubbs, A di tific de

11 sessi

B. Kin

Union (

lurgist

on varie

rector o

vanced

eral El

conclud

Malik S

Lunch Malik o

H. E

Mutual

the prog

bers ar

vice-pre

Plumley

Life. W

dent of

Charles

Connecti

HOME

HOM

The Com
over twe
\$2,000,000
the field.
Specificati
ty-five-for
of at lear
—training
establish
ations.
Specificati
The Com
over twe
ty-five-for
of at lear
—training
establish
ations.

FE

# **Changes In The Field**

#### Shenandoah Life

Edward Highsmith, formerly with Gulf Life, has been appointed manager at Atlanta and Cliff M. Broadaway, district manager at Portsmouth, Va., has been named manager at Mobile.
Also appointed were Robert C. Bur-

& Accident, as manager at Memphis; been promoted to district group man-

Clyde E. Gwin, recently with John Hancock, to head the Chattanooga office and W. Thomas Martin Jr. as manager at Louisville.

#### **Provident Mutual**

David A. Baker, formerly with the leigh Sr., formerly with Provident Life home office regional group office, has

ager of the new office at Greensboro, N. C.

#### United Benefit Life

A district group office headed by Bertram Shaughnessy has been opened at San Francisco by United Benefit Life. Mr. Shaughnessy has been in group sales and sales management for 20 years.

Volunteer State Life has appointed Jack Grantham regional agency director for Texas.



Raymond E Walden has been appointed general agent in Newark N. J., for Franklin Life. He has been active in the life insurance field for the past 12 year and was with Paci fic Mutual Life in Newark, starting as an agent and advancing to supervisor and general agent.

#### **National Life Of Vermont**

Franklin Life

Robert F. Politzer has been appointed associate general agent at Cleveland. He entered the life business in 1947 with Occidental of California at Los Angeles and in 1953 joined Great-West Life. In 1955 he became manager of the estate planning department



for the eastern U.S. region of Canada Llife at Cleveland, and returned to personal production there in 1957.

# **Company Changes**

#### Northwestern Mutual Life



R. N. Harkness

Ralph N. Harkness, since 1954 assistant director of services and planning, has been appointed superin tendent of agen-cies. He joined Northwestern Mutual in 1946 as a special agent a Los Angeles, and in 1954 was appointed to the ser vices and planning post.

#### **Equitable Society**

Grant Keehn, senior vice-preside in charge of investment operations has been elected a director. He h been with Equitable since Oct. 20, an formerly was executive vice-preside of First National City Bank of N York. He is also a director of Green Northern Railway, Kelsey-Hayes 0 and G. D. Searle & Co.

#### Here's PROOF OF PROGRESS

LIFE INSURANCE COMPANY OF AMER

**Brokers Are Talking About** Design for Tomorrow

-because it's the easiest way to sell life insurance!

Yes, brokers are talking about Great-West Life's "Design for Tomorrow" . . . a series of important "Design for Tomorrow" . . . a series of important changes in premiums, policies and dividends!

#### HERE ARE A FEW THINGS THEY ARE TALKING ABOUT:

- A TRUE QUANTITY DISCOUNT-The premium per \$1,000 decreases as the amount increases.
- 2 THREE SPECIAL POLICIES for business and taxation fields.
  - Preferred Whole Life Par (minimum \$10,000, ages 0-70).
  - Special Whole Life Non-Par (minimum \$10,000, ages 15-70).
  - Maximum Security Par (minimum \$10,000, ages 15-70; special dividend option on minimum of \$25,000). High, early cash values!

Rates on all three reduced even further by Quantity Discount factor.

- 3 REDUCED RATES FOR WOMEN—Preferential rates on two special per plans—same high cash value and dividends as paid to men!
- TERM RATES further improved by Quantity

- 5 STREAMLINED ESTATE BUILDER Great-West's popular Juvenile plan has been made even more attractive . . . in addition, a special option for girls makes the policy Two-Plans-in-One—minimum still \$1.000.
- 6 INCREASED DIVIDENDS—For the fourth time in five years your Great-West participating policyholders benefit in this vital area . . . and interest rate on dividend accumulations has been increased to 3.40%.

And in addition . . .

- Completely new series of Retirement Income
- Low-cost Home Security Policy.
- Home Security Riders to combine with any permanent plan—10, 15, 20, 25 years.
- Autopay-A real sales clincher-monthly premiums are automatically deducted from regular bank account—the greater savings are passed along in a reduced premium.

"Design for Tomorrow"-The modern way to sell life insurance.

For full details write or call us today!

29, 1958

ond E

as been

general general Newark

Franklin

nas been

the life

field for

12 years

ith Paci-

al Life

k, startn agent,

ncing to or and gent.

nont

F. Politze

of Canada turned t

1957.

ges

1 Life

N. Harknce 1954 director

has been

of agen stern Mu

1946 as a

agent a

geles, and was apto the serd planning

-presiden operations

r. He ha

ct. 20, and

k of New of Great Hayes Ca

RESS

OVER ON URANCE B

ice you nest we are pro-

offer general

e aids with frective home eration kit of attrapar contract d to 500% indence to:

y

#### Small Company Groups attention of Congress in many years." In Favor Of Mills Law

(CONTINUED FROM PAGE 2) we think the relief merited. It cannot affect substantially the yield to the Treasury, since such companies pay less than 2% of the taxes in the life insurance field.

"We do not represent to this committee or to the Congress that some increase in taxation is not presently equitable and proper. The industry's profit is about 18.3% greater than is taxed under the 1956 formula. It should pay more taxes, as long as the policy of Congress is to impose a tax upon life insurance."

Mr. Arnall objected strongly to proposals to exempt from federal income taxation the profits earned by life companies, whether mutual or stock, companies, whether mutual or stock, on group annuity operations, supple-mentary contracts, standard annuity contracts or deposit administration plan annuity contracts, calling such proposals "the most extraordinary that have come to our attention or to the

#### Plethora Of Dignataries For LIA Conference

(CONTINUED FROM PAGE 1) to a symposium on "The Nation's Needs in Medical Economics." J. Henry Smith, derwriting vice-president of Equitable Society, will be the moderator. He is a past president of Health Insurance Assn. of America. Participants will include Dr. Gunnar Gundersen, president of American Medical Assn. Ray dent of American Medical Assn. Ray Amberg, president of American Hos-pital Assn., James E. Stuart, vice-presi-dent of Blue Cross, and Dr. Donald H. Stubbs, chairman of Blue Shield.

A discussion of reaserch and scientific developments will open the Dec. 11 sessions. Speakers will be Augustus B. Kinzel, research vice-president of Union Carbide Corp.,, a leading metal-lurgist who has served as consultant on various Atomic Energy Commission installations, and Roy W. Johnson, di-rector of the Defense Department's advanced research projects agency who was formerly in a key post with General Electric. Mr. Hanify's talk will conclude the morning session.

#### Malik Speaks Dec. 11

Luncheon speaker will be President Malik of the U.N. General Assembly. H. Bruce Palmer, president of Mutual Benefit Life, is chairman of the program committee. Other members are Orville E. Beal, executive vice-president of Prudential, H. Ladd Plumley, president of State Mutual Life, William P. Worthington, president of Home Life of New York, and Charles J. Zimmerman, president of Connecticut Mutual Life.

MIDWEST
\$12,000

HOME OFFICE LIFE TRAINING
MANAGER
HOME OFFICE—ASSISTANT
AGENCY DIRECTOR

The Companies: Midwester, established over twenty years ago, business in force 2,000,000,000. area, excellent reputation in the field.

Specifications: (TRAINING DIRECTOR) thirty-five-forty-five age range, a background of at least five years experience recruiting—training—sales promotion. Individual will establish department and manage all operations.

FERGASON PERSONNEL INSURANCE PERSONNEL EXCLUSIVELY
330 S. Wells Chicago 6, Illinois
HArrison 7-9040

Mr. Arnall said that regardless of what kind of case might be made out for a different rate of taxation for these particular items, "actually they are life insurance items and should have the same treatment as the rest."

"NALC makes this statement, conscious of the feeling among many segments of the industry that certain types of pension plans are not in any sense proper for a life company;" he said. "They may be socially desirable and financially sound, but, paraphras-ing the president of the nation's larg-

able contracts, 'they are all right for somebody to write, but they are not life insurance and life insurance companies ought not to write them.

"The theory that, because the investment earnings of trusteed funds are exempt from taxation, insurance company profits in a parallel field should be exempt from tax is untenable. The profits or fees of trustees, whether trust companies banks or individuals, are fully taxed.

est company with reference to vari- the internal revenue code of 1954, receive the tax exemption upon interest solely for the purpose of providing pension and annuity and similar benefits and this exemption is lost if the trust attempts to do a life insurance business. It may also be pointed out that the interest upon life insurance companies' pension reserves is ex-empted from taxation to the extent that this interest is added to the reserve. Only the excess interest, that interest that does not pass to the pen-"It may be pointed out that trusteed sion fund but is retained by the complans exempt under section 401 of pany is taxed."



### "Our Partnership Philosophy 'Sparks' New Ideas!"

SAYS SHERMAN M. JENSON, VICE PRESIDENT, GROUP, AMERICAN UNITED LIFE INSURANCE COMPANY

"NEW sound techniques in the fast-growing area of Group Life Insurance are reflected in our 'Home Protector' Plan.

"Designed specifically for lending institutions making home mortgages, this unique plan is based on coverage of monthly mortgage payments, in such a way that makes it a first-in-thefield.

"Agents are finding 'Home Protector' easy to sell because it's easy to understand-easy to get-easy to pay for-easy to administer. Being true Group, it is low-cost. Simple, flexible . . . designed to meet today's changed needs.

"And, it's available here, first, already proved and working. Another example of our 'Partnership Philosophy' in action.

"American United's portfolio also includes employer-employee plans, group-credit plans, pensions, trusts and a real door-opener 'Baby Group.'

"You might be interested in knowing more about all of these, as well as our 'Partnership Philosophy.' Write, wire or phone me.'

Your home office "partners"—key personnel who back you in the field—are pictured in background of above photo. Behind desk, left to right: Henry Heintzberger, Serge Bushong and Tom Eberhard. In front of desk: Willard Thomas and Bill Johnson. Right-hand group: Warren Couger and Charles Macey.



AMERICAN UNITED LIFE INSURANCE COMPANY . HOME OFFICE: INDIANAPOLIS. INDIANA

ALL ORDINARY LIFE FORMS - FLEXIBLE OPTIONS - LOW NET COST SPECIALS - UNIQUE JUVENILE - GROUP INSURANCE - GROUP RETIREMENT - PENSION TRUSTS - NON-CANCELLABLE DISABILITY - GUARANTEED RENEWABLE MAJOR MEDICAL - GUARANTEED RENEWABLE HOSPITAL & SURGICAL - SPECIALISTS IN SUBSTANDARD UNDERWRITING -- REINSURANCE

#### Davis, Warters For Half And Half Plan

(CONTINUED FROM PAGE 5)

is unsound when applied to mutual companies, on the ground that the only true income of a mutual company is its investment income, and that pre-miums paid to a mutual company are capital deposits, not income.

"Under this concept," he said, "total receipts as a measure of determining the tax base would be unsound as a matter or principle. Aside from the matter of principle, however, the total income measure likewise has very practical disadvantages when applied to mutual company operations. It puts a heavy strain on management decision, which might not be in the public interest. Directors of mutual companies under a total income approach must yearly choose between a conservative policy of maintenance of surplus to protect policyholders, on the one hand, and a price tag of 52 cents on each dollar temporarily set aside for that purpose."

#### **Outlines Difficulties**

Applying a total income formula to stock companies likewise presents difficulties, he continued, even though the form of the corporate organization would lend itself more readily to this approach.

For example," he said, "stock companies contend that they would be at a competitive disadvantage with mutuals, because mutual companies could reduce their taxable income under a total income plan by increasing dividends paid to policyholders. This argument has some plausibility. From a practical point of view, however, it should be pointed out that it can be and is greatly exaggerated and should be put in its proper perspective."

However, he said, it is true that stock companies issuing guaranteed cost insurance, under which there are no dividends paid to policyholders, would have no opportunity to adjust the net gains from operations by increasing dividend distributions, and this is a factor which must be kept in

mind in choosing an equitable formula. "Furthermore," he said, "in a longterm business such as the life insurance business, even in a stock company 'statement gains' are not necessarily all profits. A part of these 'statement gains' in stock companies, computed solely to test solvency of a company from an insurance regulatory point of view, is needed and is used for additional protection of policyholders, just as in mutual companies.'

#### Defines Basic Issue

Advocating a combination of the two tax methods, Mr. Davis said:

"The basic issue here is, or should be, to determine whether a practical and equitable plan of taxation can be developed to overcome the major difficulties and defects in both of these approaches. I feel that a sound plan can be achieved by using the best features of the two approaches and dis-carding the bad."

"The combination plan was first suggested by Treasury staff represen-tatives at a meeting on October 28. At that meeting the Treasury staff indicated that this was a plan to which had been giving considerable thought and which appeared to have very definite possibilities of offering a permanent solution to a vexatious problem," he said.

"Basically, the income tax base is computed in two steps. The first step is to calculate an investment income tax

lieves that the total income approach base on some investment income formula. The second step is to compute the net gain from operations using a total income formula with necessary adjustments. Then the tax base under step one is deducted from the base computed under the second step, to obtain taxable underwriting. These taxable underwriting gains are added to the investment income tax base to

obtain the total tax base to which regular corporate rates are applied.'

Mr. Davis pointed out that such a proposal would require numerous adjustments, which he described in detail, and added:

#### Has Most Advantages

"A plan such as I have outlined has, I believe, more advantages and more equity than any other proposal yet advanced, both to the government and to the industry," he said. Among these advantages he listed the following.

1. It taxes both investment income and underwriting gains.

2. Applies to each company on an individual basis and avoids industry averaging.

3. Employs desirable features in both plans and avoids many of their diffi-

4. Solves the competitive problem 5. Permits building of reasonable

urplus to protect policyholders. 6. Assures a stable and growing rev. enue to the government.

7. Recognizes that "state net gains"

The 34th in a Series of Advertisements Presented by New York Life to Help Guide Our Children to a Better Future

# Should your Child seek a Career in Life Insurance?

by CLARENCE J. MYERS. President. New York Life Insurance Company ( As told to MORTON M. HUNT)

Would you like your child to be part of a business that has to do with people's brightest hopes and plans? Well, consider one whose commodity is the financial security of three-quarters of all American families.

Would you like him to have a career in a great, far-reaching business? Then how about one which directly serves 109 million Ameri-cans and consists of 1,300 companies with home offices in 300 American cities?

Would you like him to share in a business of major economic importance to the nation, as well? Then look into one which is helping finance home building, pipelines, jet passenger travel, iron-ore mines, industrial plants and public utilities.

And would you want him also to work in a business which is bustling and progressive—a "growth industry"? Think, then, about one that uses the latest electronic calculators, that offers new products hardly imagined a genera-tion ago, that has more than doubled its dollar volume in the last ten years.

If these things intrigue you, then the career for your child may be in the business I'm talking about—the life insurance business. It offers young people many important oppor-tunities in a field that has excitement, scope and high purpose.

Life insurance has had as remarkable and Life insurance has had as remarkable and vigorous a growth in recent years as almost any business you can name. At the beginning of the century, life insurance protection on the lives of people in the United States totaled less than \$8 billion; by 1929—the year of the Crash—it had soared to \$102 billion—and it has more than quadrupled since then! A growing demand for financial security, an expanding population, and a rising standard of living are partly responsible. partly responsible.



But also responsible is the forward-looking attitude of our business. More and more com-panies insure whole families, whole businesses, whole groups of employees—small and large.
We offer protection not only against the risk of death, but against the risk of disability and costly expense, due to accident or sickness.
We furnish the methods by which people can provide for their own retirement income. Today there is greater scope and flexibility than ever there is greater scope and flexibility than ever before in meeting individual insurance needs—and budgets—by making the best use of various kinds of policies now available. Be-cause of such developments, last year was the best in the history of our business: Americans bought new life insurance policies amounting to \$67 billion of protection, bringing total in-surance in force to \$458 billion.

No wonder our companies need "electronic brains"—yet more than ever we need good human ones, for the electronic calculator only reckons; it doesn't think creatively. In recent years, our business has been adding 15 thousand new employees to its payroll annually, and total employment will soon reach half a

Still there's no leveling off in view. The merican people have never owned so much scratched the surface. Thirty percent of all Americans still have no life insurance whatever. Forty percent of those who do have it feel that they have too little. And our population continues to expand.

Even more attractive than the size, tance and growth of this business is the feeling, the deep satisfaction life in samples, people develop about their work. We'nt of what we do for people; I hope it was overly sentimental if I say we feel the sesential goodness about our work.

Something of that spirit is reflected investment side of our business also. It is who rest the many

sesential goodness about our work.

Something of that spirit is reflected investment side of our business also, as in our "insurance operations." Lit and an experiment and the provide family protection doing, however, we become responsion investing the funds received from our policy owners, until such time as they in their policies must be fulfilled. We mindful of this responsibility, of that will benefit the entire economy or owners live in. For example, life is companies have traditionally been source of mortgage money to help perhomes of their own. Currently, it mortgages have been made by life is companies, providing about one-quantustanding mortgage money. We have faction and pride, then, not only instituted in the future of the American family helping importantly, in the process, as in our "insurance of mortgage money to help perhomes of their own. Currently, it mortgages have been made by life is companies, providing about one-quantustanding mortgage money. We have feld for our standing mortgage money who enjearching of business only account in the process, as in our "insurance operations." It is more a this more and the fundament of the first of the many control of the fundament of the fundament of the first of the fundament of the fund up America itself.

uate can expect about \$3,600 to \$5,000

No

is n

ble 1

case

9.

inati

settle

divid

An

ment

yzes com

His findings nee funds. but con

29, 195

es in both

problem

asonable

ving rev-

et gains

t income life insurance company or an equitable measure of retained earning in the y on an industry case of a mutual company.

8. The plan lends itself to a solution of the specialty company problem. 9. Overcomes a competitive discrimination in case of pension plans and double taxation in case of annuities, settlement options, and interest on dividend accumulation.

Among the combination plan's advantages, Mr. Warters particularly mentioned the effect on group pension

is not a measure of profit in a stock plans. He said insured pension funds Wash. Voters Reject could be relieved of tax and would be accorded the same favorable tax treatment as uninsured plans. The existing tax law affecting life insurance companies places the insured plans in a competitively unfair tax position, in-creasing the cost of insured pension plans about 7% over uninsured plans.

Mr. Warters stated that to be satisfactory a permanent law taxing life companies should recognize the differences between the operations of a mutual life insurance company and of

# Inheritance Exemption

Washington voters in a recent election referendum vetoed action of the 1957 state legislature in removing the \$40,000 inheritance tax exemption from life insurance proceeds. The referendum was passed by an overwhelming 12 to 1 margin.

a stock company; it should not place the entire tax load on investment incomes, and it must recognize the long-

term nature of insurance and annuity contracts

As to the Treasury suggestion for combining the investment income approach with the total income approach. Mr. Warters declared that it offers the best solution to the difficult problems of life insurance company taxation. He listed various advantages of the proposed plan, and cited the special situation of group insurance, asking that both mutual and stock companies be given the same tax treatment on this type of insurance so that neither would be placed at a tax disadvantage in relation to self-insured plans.

#### Discusses Need For Tax Equity

Discussing the need for tax equity for insured pension plans, Mr. Warters said any unfair tax burden on insured pension plans is unfortunate because deprives many pensioners of the additional guarantee available if the plan is insured. It taxes the pensioner twice, once as funds for his pension are being accumulated and once when he receives his pension; it discriminates against small businesses, as it is very difficult for a small pension fund to be satisfactorily operated on a self-insured basis, and it defeats the inten-tion of congress, which has never been to discriminate unfairly between one way of doing business in favor of an-

#### Describes Salesman As Tightrope Walker

The salesman was depicted as a man walking a tightrope, trying to reach his goal of success with a balance pole representing knowledge and enthusiasm by Will Paull, agency supervisor of Detroit Mutual, at the November meeting of Chicago A&H Assn.

Sometimes this salesman is thrown off balance with too much knowledge and too little enthusiasm or vice versa, Mr. Paull said, explaining that he either forgets fundamentals or counts on luck instead of work. This tightrope walker must have acquired the art of strategic retreat—knowing when to retreat a step in order to advance two-and must be able to shrug off defeat if he is to win further victories. 'Only those who know mighty grief earn the privilege of knowing mighty joy," he said.

In another analogy, Mr. Paull de-fined the difference between the hurricane and tornado sales approach. The hurricane type salesman blows the prospect down, and when the latter recovers, policy lapses result. By using the tornado method, a low pressure area creates a vacuum in the prospect, causing him to explode from within. This man wants to buy, Mr. Paull said.

#### Stern Appointed N.J. **Deputy Commissioner**

Commissioner Charles R. Howell of New Jersey has appointed Lawrence E. Stern of Jersey City deputy com-missioner to succeed T. A. McNicholas, who returned to his former post of chief examiner Nov. 28, for reasons of ill health. Mr. Stern has been deputy attorney general, assigned to the department of banking and insurance for more than two years. Previously he was legal assistant to Judge John Bigelow, of the appellate division of the superior court and earlier served in a similar capacity with County Judge John Drewen of Hudson county.

Commissioner Howell has appointed Herman Hanssler, Murray Hill, N. J., as chief of the license division of the insurance bureau.

usually start on a combination of and commissions). Advancement is by quick; not uncomment d commissions). Advancement is y quick; not uncommonly career \$10,000 within 5 to 10 years. For grow in usefulness, there is a good min the \$15,000 to \$25,000 bracket, aders can, as in other fields, earn a

re is a big plus: our employment is ially affected by boom-and-bust cy-asonal slumps. Even under severe storms, our business rides with a ably even keel, for life insurance is the ment people usually buy first and hold longest. From the peak of 1929 to the of 1933, employment in life insurance dless than 1½ percent. Few industries and that stability.

sort of openings are there in our field?



nies help keep the wheels y turning by loaning treme ns of money to business and indus-To protect policy owners' interests, inat analysts go out into the field and at first-hand facts about firms seeking

for both men and women, is extremely There is a place in life insurance for maticians, statisticians, accountants, sales managers, investment analysts, mists, real estate experts, researchers of sorts, real estate experts, researchers of sorts, personnel managers, doctors, au-ton engineers, lawyers, public relations thertising personnel, methods and pro-sanalysts, clerical people, and so on.

tan the size, usiness is the tion life im work. We're I hope it won we feel that our work. s analysts, clerical people, and so on.

te do they all fit in? Let's take a mory bird's-eye view of the business as a
Most people think of life insurance pally in terms of selling. But that's only by important part of it. First, there are a who research and design our "produce the many types of protection people in this modern world. Then the policies e sold across the nation. Backing up the ore are the home office and field service—people who authorize and issue the applied for, service them and pay benhefunds from premiums must be wisely do to help keep the cost of insurance that, too, takes a special staff. Finally, shout all parts of this operation are levels of management.

Tesult, there is room within the life init is reflected asiness also, rations." Life al role. On protection, orne respons time as the pulfilled. We a tively, yet economy or mple, life in nally been a yet to help pour t

result, there is room within the life in-field for career people of many kinds and personality. Let me give you just

thent analysis will appeal to a logical who enjoys collecting information, tearching questions, and getting to the flusiness operation. He studies securibusiness operation. He studies securi-alyzes company reports and makes field lis findings guide the investment of life see funds. Many investment analysts aduates of business administration but companies will generally take a s-minded liberal arts graduate and train this work. However, if he is the kind who likes exciting speculation and lone-wolf operations, he won't fit into our picture. We make our investments carefully, patiently and by collective thinking.

Related to this is the work of the mortgage loan specialist who studies applications, evaluates properties, and works out loan terms. Some seven thousand investment analysts and mortgage loan specialists were involved in the investment of \$17 billion of life insurance funds last year—almost twice as much as the federal government spent in the peak pre-war year (1940).

The actuary might be called the engineer in our business—he designs what we sell, determines its price and watches its performance. He is interested in mortality experience, occurrence and every modical progress and every He is interested in mortality experience, occupational hazards, medical progress and every other factor that may have a bearing on premium rates and policy provisions, and eventually on his company's success. Of course some actuarial work is highly technical, but it isn't true—as is often popularly thought—that the would-be actuary should be something of a mathematical genius. As a matter of fact he will find plenty of opportunity to acquire special technical knowledge after he enters the pusings. In general the province of the actuary business. In general the province of the actuary is statistics, and what is required of him is the habit of meticulous, rigorous thinking. That and one other thing: an abiding interest in human values. One man I know calls the actuary "a sociologist with a slide-rule." There are less than 1,800 actuaries in the United States and Canada today and the need for



The actuary is the "engineer" of the insu ance business. And while "electronic brains" speed the calculations used by him and other specialists, human brains must pose the questions and creatively apply the answers,

The agent is the best known of life insurance men (there are 196,000 agents and 41,000 agency managers). In the last 20 years life insurance selling has undergone important changes. Much attention is paid to the selection of men and women for this career—including, for example, the use of psychological tests to screen out those not likely to succeed. And a great deal of emphasis is placed on company training programs. company training programs.

Actually a good agent's training never stops. He strives, first, to become expert in family finance; then, to extend his knowledge into the field of "business insurance." He becomes interested in tax law and estate planning. He may need to work closely with lawyers, accountants and trust officers. Naturally, a college education is increasingly useful and important to the would-be agent.

Yet neither an education nor technical knowledge is a guarantee of success, for the agent's personality is important also. He needs a warm heart, as well as a good head. He must like to listen to other people's problems, share their dreams and instill in them a feeling of confidence in the future—and in himself. And

along with everything else, he must prefer self-employment to a payroll job, for his compen-sation will depend on his sales and service to his clients, for which he alone is responsible. This takes discipline and self-assurance.

Yet those who are exhilarated by independence will like the career. Furthermore, the agent can rise as fast as his sales abilities peragent can rise as fast as his sales abilities per-mit, without waiting for a promotion. Agents can pass the \$10,000 mark faster than any other life insurance careerists; many do so within five years and keep going up.

Other careers in insurance will suit still other kinds of people—the extrovert and the introvert, the imaginative man and the logical one, the restless doer and the patient planner. All pay solid salaries, and all yield a satisfying knowledge of working in a business which serves the financial needs of people as no other business does. For almost all, a specialized education is unnecessary; a general education and willingness to learn are enough...our rade associations offer many specialized life insurance courses.

In fact, what we need most, perhaps, isn't even taught in college—it's on-the-job man-agement skill. Throughout our business, from agement skill. Throughout our business, from agency offices to home offices and from small departments to the largest, there is a serious and growing need for additional young men and women with genuine managerial ability. From my conversations with many other life insurance executives, I know this to be the major personnel problem now facing our companies. No matter where your vourset. companies. No matter where your youngster starts, if he can capture the insurance view-point and demonstrate managerial talent, there is only one direction his career in life insurance will lead—straight up.

Then, as he senses more keenly to what deep social responsibility he has been led by his concern with people and their future, the higher will his own future be.



#### HOW TO HELP YOUR CHILD HAVE THE CAREER HE WANTS

Many factors will enter into your child's choice of a career: his interests, his ambitions, his abilities, the counsel he receives from teachers, friends and family. But, most of all, it will depend on his opportunities to get the training he needs to enter the field of his choice.

Even though his college days are still years away, it's never too soon to start making sure that your child will have the opportunity to continue his education when the time comes

Your New York Life agent has chosen as his career the business of helping families plan for the future—for education, for retirement, for all the things which life insurance helps make possible. Through training and experience he has become a highly qualified specialist. You'll find him both able and willing to help you.

For reprints of this article in booklet form,

# New York Life Insurance Company

Dept. PI-1, 51 Madison Avenue, New York 10, N. Y.

The New York Life Agent in Your Community is a Good Man to Know Copyright 1958, New York Life Insurance Company

iness appeals at to know wherally speaks

Mi

hadly

expec

Pre

ne 1

Acaci

The

partly

ula 8

formu

nins

Schmi

object

insura

annua

individ

of its 1

certain

agains

marke

naid t

insura

the ma

inured

benefit

Favors

The

credit

earned

advocat

THE

TIJ

GUP

Call Co

"Th

# **Editorial Comment**

### Lucky That Mills Is Chairman

What income taxes you'll pay is a are seem to be pretty well diluted. pretty grim matter, even if it's your company's and not your own personal say that Chairman Mills of the House internal revenue subcommittee pany income taxation as near to being taxation subcommittee.-R.B.M. a pleasant experience as these things can ever be. In this he had the cooperation of fellow-members of the subcommittee.

Neither Mr. Mills nor his colleagues yielded to the temptation to harass the witnesses so as to make headlines for seemed at all times to be a "man of good will." He was soft-spoken, courteous and was obviously more interested in obtaining needed information on a highly complex subject than in parading preconceived viewpoints.

Mr. Mills repeatedly invited the industry representatives to trot out their best arguments for whatever they were supporting. In particular, he wanted simple, non-technical explanations that he could have some hope of "selling" to others on the ways and means committee and after that to Congress. Others on the subcommittee made similar requests.

That such answers were not forthcoming, at least to the satisfaction of the subcommittee chairman and members, was due not to any unwillingness to supply them but to the fact that the subject is basically so complicated and technical that there is no simple, easy way to present it, without resort to a degree of over-simplification that might easily backfire.

We are reminded of a logic boobytrap attributed to Abraham Lincoln: If you called a cow's tail a leg, how many legs would she have? In the effort to bring some kind of simple formula out of the welter of factors involved in life company income taxation, there is strong temptation to call a tail a leg, but you come back to the fact that no matter what you call it, a tail is not a leg and calling it one may cause more eventual troubles than the immediate trouble that it seems to solve.

Even atomic energy or the theory of relativity would be easier to put into "layman language" than the considerations underlying the taxation of life companies-partly because for all their complexity atomic energy and relativity have some agreed-on facts to start from. Seemingly, about the only agreed-on fact in the life tax picture is that the Treasury, the Mills subcommittee, the ways and means committee, and the houses of Congress believe that the life insurance industry should pay more, not less, taxes.

Almost everything else, including what constitutes fair treatment as between stock companies and mutuals, large companies and small ones, new companies and old, seems so bound up with what assumptions you base your contentions on that what facts there

For that reason, and with so many different income tax viewpoints in the tax dollars that are at stake. But we'd industry, it can count itself fortunate to have a man of Rep. Mills' intelliways and means committee and of gence, patience and sympathy as chairman of the ways and means commade last week's hearings on life com- mittee and of the internal revenue

# **Personals**

The Springfield apartment of Chas. themselves. Mr. Mills, who did most E. Becker, president of Franklin Life, of the quite extensive questioning, and Mrs. Becker was featured recently in the Illinois State Register. The article, accompanied by pictures, described the elegance of the residence which is to be included in a tour sponsored by one of the city's charitable institutions.

> Gordon V. Moy, assistant treasurer of Colonial Life, was honored at a luncheon held by his home office associates on the occasion of his retirement after 25 years of service. Mr. Moy joined Colonial Life in 1933 as manager of the real estate department.

> T. Shad Medlin, superintendent of agencies of Travelers, was presented a citation of achievement from William Jewell College of Liberty, Mo. Mr. Medlin is a 1934 graduate of the college, and the citation is the school's highest alumni award.

> H. U. Banks, assistant superintendent of sales promotion and training of Sun Life of Canada, has been elected Canadian vice-chairman of the Direct Mail Advertising Assn.

R. Slater Brown, general agent for Equitable of Iowa, Nashville, was the guest of the navy, with other prominent Tennesseans, on a cruise of U.S.S. Nautilus. The group was headed by Gov. Clement.

# **Stocks**

By H. W. Cornelius Bacon, Whipple & Co. 135 S. LaSalle St., Chicago, November 25, 1958

too b. Labane bu, careage, tree	Bid	Asked
Aetna Life	213	218
Beneficial Standard	17	18
Business Men's Assurance	91	95
CalWestern States	112	116
Columbian National	116	122
Commonwealth Life	27	281/4
Connecticut General	320	330
Continental Assurance	160	165
Franklin Life	85	87
Great Southern Life	89	93
Gulf Life	26	271/2
Jefferson Standard	94	97
Kansas City Life	1600	1650
Liberty National Life	481/2	51
Life & Casualty	23	24
Life of Virginia	52	55
Lincoln National Life	233	238
National L. & A.	1081/2	111
North American, Ill	21	22
N. W. National Life	92	Bid
Ohio State Life	325	345
Old Line Life	58	62
Old Republic Life	25	27
Republic Natl. Life	55	58
Southland Life	129	134
Southwestern Life	135	140
Travelers	92	94
United, Ill.	53	55
U. S. Life	38	40
Wisconsin National Llife	65	68

# Deaths

JAMES R. FITZGIBBON, 49, president and founder of United Founders Life, died of leukemia in Oklahoma A former newspaperman, Mr. Fitzgibbon entered life insurance in 1946 and in 1955 organized American Founders Life, which was consolidated with United Founders a year later. Previously he had been in Beaumont, Dallas and New Orleans with Great American Reserve Life and was assistant vice-president of agencies for Standard Life & Accident.

ALFRED R. WILSON, 73, chairman of Amicable Life, died in Waco, Tex. He had been with Amicable since 1910. becoming president in 1920 and chairman in 1946. Mr. Wilson entered insurance with Life of Virginia and later went with Eastern Life of Virginia.

WALTER BJORN, 62, actuary formerly with Northwestern National Life and New England Life, died at Jacksonville, Fla., where he had been doing part time work with Gulf Life.

SAM T. SWANSEN, 90, former general counsel of Northwestern Mutual Life, died. He joined the company in 1916 and retired in 1943.

JOHN J. O'HAGAN, general agent of Colonial Accident & Life at Charles-

#### **Insurance Teachers** Nominate D. M. McGill

Dan M. McGill, University of Pennsylvania, heads the nominating committee slate of 1959 officers for American Assn. of University Teachers of Insurance sent to all voting members. Mr. McGill has served as 1st vice-president during the past year. Election will be held at the association's annual meeting in Chicago, Dec.

Slated for 1st vice-president, a post usually leading to the presidency a year later, is J. E. Hedges, Indiana University. Nominated for 2nd vice-president are Davis W. Gregg, president American College, and C. Arthur Williams Jr., University of Minnesota.

The slate names Kenneth W. Herrick, Texas Christian University, for re-election as secretary-treasurer; and Kenneth Black Jr., Georgia State College, and Richard M. Heins, University of Wisconsin, for three-year terms as active-member nominees for the executive committee.

A recent amendment to the constitution created openings for two additional associate members on the executive committee. One will be elected this year and another next. Nominated for the one opening this year are J. F. Follmann Jr., director of information, Health Insurance Assn. of America, and Chester M. Kellogg. vice-president Alfred M. Best Co.

#### New Up-To-Date Hand-Book Of Illinois

A new Underwriters' Hand-Book of Illinois has just been published by The National Underwriter Co. It provides complete and up-to-date information on the agencies, companies, field men, general agents, groups and other organizations affiliated with insurance throughout the state. Copies of the new Illinois Hand-Book may be obtained from The National Underwriter Co., at 420 East Fourth street, Cincinnati 2, Ohio. Price \$12.50 each.

#### The NATIONAL INDERWRITER



The National Weekly Newspaper of Life Insur-

#### EDITORIAL OFFICE

17 John St., New York 38, N. Y.
Tel. BEekman 3-3958 TWX NY 1-100

Executive Editor: Robert B. Mitchell Assistant Editor: William Macfarlane

#### CHICAGO EDITORIAL OFFICE

175 W. Jackson Blvd., Chicago 4, m Tel. WAbash 2-2704 TWX CG a

Associate Editor: John C. Burridge Assistant Editors: Richard G. Ebel William H. Faltysek and R. R. Cuscad

#### ADVERTISING OFFICE

175 W. Jackson Blvd., Chicago 4, IL Tel. WAbash 2-2704 TWX CG Advertising Manager: Raymond J. O'Brie

#### SUBSCRIPTION OFFICE

420 E. Fourth St., Cincinnati 2, Ohio. Telephone PArkway 1-2140.

#### OFFICERS

Howard J. Burridge, President.
Louis H. Martin, Vice-President.
ohn Z. Herschede, Secretary-Treasur.
420 E. Fourth St., Cincinnati 2, Ohis.
Telephone PArkway 1-2140.

#### SALES OFFICES

ATLANTA 3, GA.—432 Hurt Bidg., Te Murray 8-1634. Fred Baker, Southeasten Manager.

BOSTON 16, MASS.—80 Federal St., ftn. 343, Tel. Liberty 2-9229. Roy H. lass Southern New England Manager and Dun L. Davis. Northern New England Ma-

CHICAGO 4, ILL.—175 W. Jackson Blvd. Tel. Wabash 2-2704. A. J. Wheeler, Chica Manager. R. J. Wieghaus and William D O'Connell, Resident Managers

CINCINNATI 2, OHIO—420 E. Four St., Tel. Parkway 1-2140. Chas. P. Woo Sales Director; George C. Roeding, Asso ate Manager; Roy Rosenquist, Statistics

CLEVELAND 14, OHIO—1367 E. 6th 8t. Lincoln Bidg., Rm. 208, CH 1-3396. Pail Blest, Resident Manager.

DALLAS 1, TEXAS—309 Employers Insu-ance Bidg., Tel. Riverside 7-1127. Aired I Cadis, Southwestern Manager.

DENVER 2, COLO.—234 Commonweal Bldg., Tel. Amherst 6-2725. J. Robe Ebelhardt, Rocky Mountain Manager.

DES MOINES 9, IOWA—327 Insurance E-change Bidg., Tel. Atlantic 2-5966. D. I Stevenson, Resident Manager.

DETROIT 26, MICH.—813 Lafayette Bid. Tel. Woodward 5-2305. William J. Gesist Manager for Indiana and Michigan.

INDIANAPOLIS 20, IND.—5634 N. Bu St., Tel. Clifford 3-2276. William J. Gesti Manager for Indiana and Michigan.

MINNEAPOLIS 2, MINN.—1038 North ern Bank Bidg., Tel. Federal 1 Howard J. Meyer, Northwestern Man

NEW YORK 38, N. Y.—17 John 2. Room 1401, Tel. Beekman 3-3958. J. I. Curtin and Clarence W. Hammel, New York Managers.

NEWARK 2, N. J.—10 Commerce Ct., Market 3-7019. John F McCormick, Re-

PHILADELPHIA 9, PA,-123 S. Broad Roem 1027, Tel. Pennypacker 5-370 I. Zoll, Middle Atlantic Manager.

ST. LOUIS 2, MO.—221 Pierce Bldg., N Chestnut 1-1634. Geo E. Wohlgemuth, Re-

4AN FRANCISCO 4. CAL.—582 Market & Tel. Exbrook 2-3054. Robert L. McMalla Pacific Coast Manager.

#### CHANGE OF ADDRESS

Be sure to enclose mailing wrapper we new address. Allow three weeks for contien of the change. Send to subscription flee, 420 E. Fourth St., Cincinnati 2, 00

XUM

e National

espaper el

Insurance

. Mitchell

TWX CG

Burridge. G. Ebel, R. Cuscade

ago 4, IL IWX CG 84 d J. O'Bris

oyers Insu-27. Aifred I

J. Rollanager.

yette Bld. J. Gessin chigan.

Northwesteral 2-5ill n Manage.

John 8. -3958. J. 1 el, New York

rce Ct., Te

Market &

rapper was for composition of nati 2, Chi

CE

ICE

FFICE

E N. Y.

#### Mills Group Meets, But Defers Action TER

(CONTINUED FROM PAGE 1)

expect to get.

Presentations of a number of witesses were reported in last week's is-

#### Acacia For 50-50 Formula

The proposal to tax life companies nartly on an investment income formula and partly on a total receipts formula was supported by Edward J. Schmuck, vice-president and general counsel of Acacia Mutual Life. Mr. Schmuck said that the stock companies object to the total receipts approach primarily on the ground that since life nsurance is a long-range business the annual net gain from operations of an individual company is no true measure of its profit.

"This argument," he said, "has a certain plausibility but cannot stand against the realities of the securities market, the cash and stock dividends paid to the shareholders of stock life insurance companies, stock splits and the massive accumulation of surplus, a large percentage of which has inured or will inure to the personal benefit of shareholders."

#### Favors Adjusted Reserve Method

The plan of taxing life companies by computing the reserve interest credit company-by-company at the earned rate of interest and placing an additional non-retroactive tax on stock company surplus measured by cash dividends paid to stockholders was advocated by President Henry S. Beers

the tax-gatherers would not fare too of Aetna Life. A subcommittee of the badly, in the light of what they really American Life Convention-Life In-American Life Convention-Life In-surance Assn. of America joint tax committee devised the plan.

The plan dispenses with industry averages of interest earnings. It inlow or in separate items elsewhere in volves making a computation of the would be needed to maintain the company's reserves, revalued on the basis of the interest rate the company actually earned in the taxable year.

#### Recognizes Policyholder's Interest

When this amount has been determined, it is deducted from the total net investment income of the company. This policy-and-other-contract-liability deduction recognizes the policy-holder's interest in that portion of the net investment income which is set aside in policy and other contract reserves, a principle which has been embraced in the federal laws on life company taxation since 1921, Mr. Beers pointed out. It is only the method of computing the policy-andother-contract-liability deduction that

Advantages of the plan, said Mr. Beers, include these:

-The deduction is based solely on the company's own experience. There is no averaging, so one company's results don't affect another's tax.

-Amount of tax varies with interest earnings. Companies with relatively higher surpluses will pay more than those with lower surpluses.

-It is unlikely the formula will ever fail to produce revenue, as did the 1942 formula in 1947-48. Under normal conditions, the earned rate would need to fall below 1% before the tax would disappear. Moreover, neither management decisions on reserve strengthening nor actuarial assumptions regarding interest rates used in computing reserves would alter the tax results.

The tax on dividends would assure a more reasonable tax on the few companies having relatively small investment income but substantial gains from underwriting or insurance sources. It would apply to stock company surplus earned after Dec. 31, 1957, and payable in the year that any such earnings are distributed through cash dividends to stockholders.

Removal of the discriminatory income-tax treatment of pension business was asked by Robert L. Hogg, vice-chairman of Equitable Society. He declared that life companies are losing a substantial part of their existing business to trusteed plans of banks and trust companies and unless a fair competitive basis is established the trend may be expected to acceler-

Pointing out that the small employ-

John A. Gosnell, general counsel of National Small Business Men's

Cold butter is hard to cut And cold prospects are hard to sell. Like butter, prospects are easier to work with after they've been warmed up a bit. That's why we've been helping the man who sells Occidental insurance soften up a special class of prospect—the man with 10-50 Through Wall Street Journal ads we've been pointing out two things to this businessman: (1) The advantages of group insurance and (2) The desirability of having a professional insurance man help him with his insurance decisions. Altogether, 10 insertions in the Journal will make 4 million impressions on small group prospects! The man selling Occidental insurance knows that these repeated impressions will make those prospects easier to approach. And easier to sell. ccidental Life

We pay Lifetime Renewals...they last as long as you do!

INSURANCE COMPANY OF CALIFORNIA

Name Office: Les Angeles / W. R. Stennerd, Vice President

#### Wants Pension Bias Removed

ers need the services of life companies in their pension programs, Mr. Hogg said that federal income tax discriminations as to "qualified" pension plans falls with special force on the small employer, his only alternative to an insured plan being "a risky venture for which he is unqualified." The burden of the tax can fall ultimately on the employe by reason of his receiving a smaller person from the receiving a smaller pension from the funds which the employer has available for a pension plan, Mr. Hogg pointed out.

#### IF ITS PERFORMANCE YOU WANT . . .

You expect top performance when you attend a concert. You want top performance when you buy Why should it be different when you purchase

an insurance policy. Federal Life assures policyholders of top performance, not only on their policy but from their dependable Federal Life Agent. Federal Life Agents render top performance because of the efficient, up-to-date methods used in their new

If you want top performance from an insurance policy or from Home Office—Federal Life is the company for you to contact.

# FEDERAL LIFE **INSURANCE COMPANY**

6100 North Cicero Avenue, Chicago, Illinois



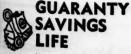
THINGS ARE JUST A LITTLE BIT BETTER AT GUARANTY SAVINGS!

> Interested in a career agency of your own? General Agent openings (some established) in Alabama, Georgia, Florida, Mississippi, Louisiana, South Carolina, Tennessee.

Call Collect Lee Roy Ussery, AM 3-1028

• Life

• A&H



Home Office — Montgomery, Ala.

life c

in 1

On

woul

inade

ies b

that i

opera

inves

ic th

non-l

Addit

reserv

tible

invest

requi

balan

of div ments \_T

ent M

reserv

would

and th

own re

Mr.

the bu

fairly

busine

Whil

\_P the i

lines as Mr. Hogg, emphasizing the way the present law discriminates against the small business men who want to provide pensions for his employes.

Prof. Roy E. Moor of the Williams College department of economics advocated the total income approach on the basis of experience with it in the pre-1921 operation of the income

Assn., spoke along much the same early experience with a total-income appear to be a sufficient reason for tax base was a failure and that it was abandoned because of its inherent weaknesses," he said. "The only evidence that is adduced for this conclusion is references made in 1921 to the 'constant litigation' under the approach. The litigation apparently occurred almost entirely as a result of the dividends issue, and this issue would be removed in the suggestion currently made by the Treasury. "It has been suggested that this Hence, the earlier litigation would not

dismissing the total-income concept. In fact, in the perspective of experience, we can now ask the question: Have any of the alternatives adopted since 1921 proved to be as satisfactory as the original approach?"

#### Calls Total Income 'Unworkable'

A pure form of total income taxation of life companies "would be unworkable and seriously discriminatory," said Millard Bartels, chairman of the

committee insurance executive Travelers However, if some basis is to be used for stock life companies these adjustments should be made:

1. Permit the "dividends received deduction allowed to corporations ger erally. A stock company needs the 85% "dividends received" deduction to make up in part for any right of a mutual company to deduct 100% for dividends received that are distribute as dividends to policyholders, he sai

#### **Exclusion Dividend Credit**

2. The "exclusion and dividend to ceived credit" that is available individual stockholders of corporation generally should be available to li company stockholders.

3. Affiliated companies should have the right to make a consolidated to return where the group makes up single enterprise conducted by mea of separate corporate entities. A present, the definition of "includible corporation" for purposes of making: consolidated return excludes a stor life company from such an affiliated group, presumably because in receivers it has been taxed in a manus substantially different from the general corporate basis.

#### Expense Discrimination Unwarrante

Supporting in principle the Treasur suggestion of a combined net gain an investment income approach, Vice president Robert E. Dineen of North western Mutual Life urged that the be incorporated in the plan the removal of the present discrimination which currently does not permit a to deduction for the operating expens incurred in the handling of settleme options not involving life contingend and of dividend accumulations.

Since the combination plan propo a measure of relief for pension plan annuities, and options involving in contingencies, Mr. Dineen suggeste placing all five of these items in the same category.

He said the other Wisconsin l companies-three mutual and thr stock-concurred in the view that the suggested basis of tax offered a "n possibility of a new permanent to

President John A. Lloyd of Unit Central Life objected strongly to the total income approach. He offered suggestions for amending the presentation Mills (stop-gap) law so it would raise about \$425 million in taxes from

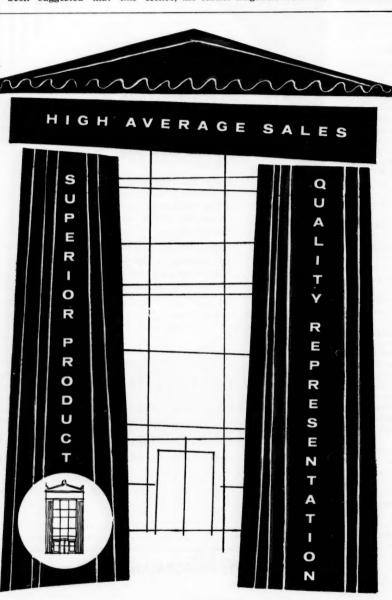
#### MANACEMENT **A CONSULTANTS**

#### O'TOOLE ASSOCIATES

Management Consultants **To Insurance Companies** Established 1945 220-02 Hempstead Avenue Queens Village 29, N. Y.

BOWLES, ANDREWS & TOWNE is ACTUARIES
MANAGEMENT CONSULTANTS
LIFE—FIRE—CASUALTY EMPLOYEE BENEFIT PLANS ND ATLANTA NET PORTLAND NEW YOR RICHMOND





# CONTINENTAL AMERICAN

builds on quality representation

You are sure to notice that there is something special about a Continental American man. It is his definite air of confidence and competency. Continental American is recognized for its wellplanned, long-range personnel development program. We carefully select our men. We help to build their confidence and competency by providing a thorough course of training, effective sales tools and experienced supervision. As a result, their clients receive maximum

benefits from Continental American's Planned Life Insurance Programservice. Continental American has established an outstanding and continuous record of high average new sale-\$13,764 in 1957. Hand in hand with this record goes high average earning for Continental American representatives. This clearly proves careful planning pays. Our representatives are outstanding in their field. There is something special about a Continental American man.

CONTINENTAL AMERICAN LIFE INSURANCE COMPANY

Wilmington, Delaware

mittee some such k life com-should be

er 29, 199

received needs the right of 100% for distributed rs, he said

ividend revailable t orporation able to like hould ha lidated ta

nakes up

by mean ntities. A "includible f making les a stock n affiliate e in recen a manne n the gen-

ne Treasury et gain and ach, Vicof North that then an the recrimination

ermit a ta g expense f settleme ontingence ations. an propo nsion plans volving li

suggested tems in the sconsin li and the ew that th red a "n manent t d of Unio ngly to th

would rai es from t ENT VTS

He offer

the pres

ATES nies nue Y.

LTANTS

OCIATE 21 FIFTH AVEN

in 1957 under current legislation.

One of these suggested changes would get at the problem caused by inadequately taxed specialty companies by adding to the present definition of a life company the further provision that if a company has a net gain from operations after dividends to policy-holders in excess of 200% of its net investment income, it is not a life company for income tax purposes and is therefore taxable like any other non-life insurance corporation.

#### Additional Suggestions

Other suggestions would:

—Retain the 87% allowance for reserve interest requirements deductible on the first million of taxable investment income but reduce from 85% to 80% the reserve interest 85% to 80% the reserve interest requirement deduction allowed on the balance of the taxable income.

—Restore the 85% credit on account of dividends received on stock invest-

-Treat the A&S portion of the life insurance business as under the present Mills law.

-Provide that when in any company the interest required to maintain reserves is greater than the 80% allowed to be deducted such company would deduct an amount equal to 80% plus the difference between the 80% and the actual percentage of investment income required to maintain its own reserves.

Mr. Lloyd said that year by year as the business grows the taxing results of such a measure would keep pace fairly with the true profits of the

While favoring the net investment tails, as permanent legislation.

life companies as against \$290 collected income approach for life companies Springfield-Monarch Uses generally, as against the total receipts basis, Executive Vice-president James Y. Wilson of Wilson National Life of Lake City, Fla., asked that the tax law include a special category for very small companies that would result in their paying a tax only on actual profit.

The present law has a special category for new companies, recogniz-ing the need for special treatment "although the exceptions provided for new companies still put such a high minimum tax on them that it is difficult to see how it is much help unless the company is really making a big success," he said.

#### Suggests Dividing Line

Mr. Wilson suggested having a special category for life companies having a gross income less than \$2.5 million a year and that the exception apply only as an alternative in order to keep a company from paying a tax on a loss or on a small profit needed for surplus. Also, the allowable oper-ating cost should not include any voluntary dividends but should include the acquisition cost of new business. Such cost, he maintained, is no more a capital expense than the cost a general agent incurs in developing the premiums that provide a commission for his income.

Opposing the total income approach, Senior Vice-president Joseph M. Bryan of Jefferson Standard Life read a resolution adopted by Assn. of North Carolina Life Insurance Companies which came out strongly for enactment of the Mills (stop-gap) bill, with possible modifications as to de-

# Daily Mail As Sales Aid

Howard Williams, sales promotion director of Springfield-Monarch, advocated putting sale in everyday mail at a recent meeting of New Hampshire Insurance Women's League. The head-line of THE NATIONAL UNDERWRITER story reporting his talk might have implied that the group was adopting selling by mail. Actually it is operating with the same agency system as in the past.

The association endorsed the princi-

The association endorsed the principle of the net investment approach for taxing life companies, which was endorsed by American Life Convention at its annual meeting in October.

Cecil Woods, president of Volunteer State Life, vigorously opposed the Treasury's proposal for taxing life companies partly on the investment income basis and partly on total income. He opined that it would work out to the competitive advantage of the large mutual companies. the large mutual companies.

"I am decidedly of the opinion," he said, "that many hundreds of com-

panies operating as we do on the stock company non-participating plan cannot, nor should we be required to, compete with the large mutual companies with the privileges that go to them under any total (or gross) income plan yet devised ...

#### Such Levels Never Foreseen

"In calculating these premiums (on a non-par basis in Volunteer State Life) in this highly competitive mar-ket dominated by the big mutuals, no such level of taxes as are now being talked about was in the contemplation

of anyone, certainly not ours.
"If the level is seriously raised, even
on an equal basis with the mutuals,
the mutuals would still have the tremendous advantage of being able to adjust the cost of such extra taxes through the reduction of dividends." President Charles A. Taylor of Life

of Virginia urged particularly that no change in the tax law be permitted to result in a tax disadvantage for guaranteed-cost life insurance. He noted that companies operating on this basis consider it a life or death matter that mutuals not be left free to underprice them through the use

# Skog says...



#### "He can run-but he can't hide!"

HELP in paving the way for successful in-terviews is provided North American field men by newspaper ads like this appearing nationally in Nalac

markets.
It's one way Nalac's
CONFIDENT LIVING\*
approach is working to assure CONFIDENT SELLING for its men. Complete portfolio of Life and S&A. Ask for Brochure BO-321.

\*Exclusive North American service mark

Over \$3/4 Billion of Life Insurance in Force.

Home Office: Minneapolis, Minnesota

Canadian Head Office: Hamilton, Ontario

Just prior to one of his championship bouts, a newsman asked Joe Louis how he would cope with his opponent's speed, boxing skill, and will-o-the-wisp tactics. To this the Brown Bomber's laconic

> I think the same can be said of all of us as we meet life's eventualities. We can "run" but we can't "hide". Sooner or later we have to own up to our responsibilities and face the facts.

reply was, "He can run, but he can't hide!"

Take retirement, for instance. Some day you'll have to take care of an old man. He's not your wife's father. He's not your father. He's you! Yes, the time when our working days are over comes to all of us. And the time to start planning for that day is now, by setting aside money for retirement.

One of the best methods is with North American Life and Casualty Company's lifetime income plan. This plan provides a regular monthly check every month of your life, from the retirement day you specify. Or if something happens to you, your family receives a regular monthly income.

Can you imagine what an extra \$100 a month could mean during your retirement years added to your Social Security and other income you can count on? It could mean years of fun, a chance to travel, and real financial independence.

Call on the North American representative in your



# **NORTH AMERICAN** Life and Casualty Company

H. P. Skoglund-President J. E. Scholefield, CLU-Vice President, Director of Agencies

NORTH AMERICAN INSURES CONFIDENT LIVING

NEWS NOTE """

- ... September paid business 18.9% ahead of last September.
- ... First three quarters, 7.2% ahead of first three quarters last year, and 15.6% ahead of same period 1956.
- ... Insurance in force increased to \$1,135,742,296.



# FIDELITY MUTUAL

THE PARKWAY AT FAIRMOUNT AVENUE PHILADELPHIA, PENNSYLVANIA

St

inte

con

com

tage

\$375

save

A R In

view a re and

prob mana not stine At

conce

ways

Mo

to th

interv

YOU

2

3

• Top

· No

Conc

off to hittin mater

Extra

your

If You Are -Not Ju Now-ren

eaction o

S. Robert F

security

dividends, "much of which must be investment earnings on previously deposited policyholders' dollars."

Under the system that has prevailed in recent years where the tax base is a portion of net investment income, this competitive problem does not arise," said Mr. Taylor. "If we must break away from that system, it is my first plea that no change be made which will result in a tax disadvantage for guaranteed-cost life insurance. What companies of our

of tax-free dollars distributed as policy sort believe more menacing than an panies be based on the net investment tain adequate safety margins; earl increase in the tax is an inadvertently imposed disadvantage in competition through taxation which can lead to the abandonment of a thoroughly sound method of doing business for which there is a public demand."

#### **Evans Gives LIC Viewpoint**

Speaking for Life Insurers Conference, of which he is president, Richard B. Evans, president of Colonial Life, strongly urged that permanent federal income taxation of life com- make it impossible for them to main-

income approach, through amendments to the Mills law or other net investment income method, and not on the total income approach.

Mr. Evans cited the resolution adopted by LIC Sept. 23 and the reasons it gave for opposing the total income basis: Impossibility of determining a life company's profit or loss for a period as short as one year: impact of heavy taxation on increases in surplus of stock companies may

experience with total income show it unworkable; likelihood that it mig result in less taxes being paid by a industry, with the large mutuals chief beneficiaries; discriminatory fect on stock companies, partic in view of need for equality of conpetition between stock and much companies.

#### Threat To Stock Companies

"Any tax formula which will pen mutual companies to deduct from the tax base dividends paid to the policyholders raises a great three said Mr. Evans. "It places in hands of the management of much companies the determination of he much federal tax they will pay. To could develop an entirely untercompetitive position for the small stock companies especially. It was take only a few years, through with action on the part of some of a mutual companies, to make it impassible for the smaller stock companies. sible for the smaller stock compa to maintain a competitive position a would, in short order, drive them of business.

"The stock life insurance compar have contributed to a very maj degree competitively in keeping do life insurance costs to the pu Many of the leaders among the mu companies will testify to the need the continued competition of the se life companies. Any action with would impair the ability of stock companies to compete with m life companies is not in the pub interest.

S. J. Hay, president of Great I tional Life of Dallas, spoke along same lines as Mr. Evans.

#### **Speaks For Alabama Companies**

Representing Assn. of Alabama Insurance Companies, which prises 22 stock and mutual in Vice-president Jefferson D. He Guaranty Savings Life spoke "total income" approach the strongly urged the continuation Mills act as the permanent bas

"We feel that the Mills act, product of many, many months work and study by this committee its staff, is a good act, easily adj as to formula, can always produced revenue, and will not cripple the and the young life insurance comies nor grant favor to one class another," he declared. "It may be testimony developed at this hear will disclose that some minor revis upward or downward, may be required in the formula set out in the Mills but the act itself is a sound basis taxation."

#### To Sponsor TV Show On Lincoh

A nationally televised prop "Meet Mr. Lincoln," will be by Lincoln National Life, Feb. coinciding with the nationwide bration of Abraham Lincoln's anniversary. The program, white being prepared by NBC's special jects division, will portray Mr. Lin as his contemporaries saw him.

# A Service Guide

ACTUARIAL COMPUTING SERVICE, INC.



1389 Peachtree Street N. E., Atlanta 8, Georgia P.O. Box 6192, Tel TRinity 5-6727.



Contact your Security Mutual Agency today, or write . . .

mutual life insurance company

81 EXCHANGE STREET, BINGHAMTON, N. Y.

Richard E. Pille, President.
Harland L. Knight, Agency Vice President. Jour Security our Mutual responsibility

gins; earli ome show that it mig paid by t mutuals ninatory e particular lity of con and mutu

ber 29, 19

n will penict from the cid to the reat three acces in a cid to f muta tion of ha cill pay. The cid the small the sma

ly. It would rough with some of the ke it impublic companies position a live them of

ce companie very main ceeping don the pub g the mut the need to of the saction of Sales . . . by Joining the March to N.A.A.I.C.\* with muta

of Great No ke along panies

Alabama which 🖷 tual in D. Henry spoke a oproach i uation d ent basis

3

Iills act, y months ommittee rasily adjust vays prote to the pole the same companies of the company of this hear this hear this hear the Mills of the M

und basis n Lincoh ed programe be sponsi ife, Feb. ionwide d incoln's li am, which

y Mr. Lin aw him. uide

s special

PUTING IC.

tree Street 8, Georgia 6192, 1s 727.

Stem From LIAMA Test (CONTINUED FROM PAGE 7) as we developed the findings of the interviewers. We gave him several constructive suggestions for improving his work. Both he and Mrs. Moran were completely reassured as to the advantages of a career in personal production. His sales this year will exceed

\$375,000. He is happy and we have

Satisfied Producer May

#### saved a good agent. A Realistic Concept

In brief, the career analysis interviews are so set up as to give an agent a realistic concept of both the agent's and the manager's jobs. He sees the problems and the responsibilities of management as they are, and if he is not the type to handle them he in-stinctively knows it.

At the same time he gets a broader conception of the agent's job and sees ways he can improve his own opera-

There are other reasons, too, why top insurance men know it's smart business—profitable business to work with the North American Accident insurance Company—Chicago.

Level A&H Renewals

To Compete With You

Concrete Assistance — gets you off to the right start with hard-hitting sales aids and promotional materials.

Extra Incentives to supplement

your production achievements.

If You Are Interested In Making Money

Not Just Today But Years From

Now-remember you can start a chain

reaction of sales by writing

S. Robert Rauwolf, Vice President, Dept. J

\*The lamiliar abbreviation for the North American Accident Insurance Company— bine of America's oldest and strongest Per-tonal Insurance stock companies.

• Top Commissions .

procedures convince the agent one way or the other as he goes through process. This makes for a sound conclusion without too much maneuvering on the part of the home office.

#### Can Know Field Men Better

Another advantage for the home office is that we have an opportunity to become better acquainted with our field men and the salesman himself gets a better appreciation for the home office staff. He feels that they have taken an interest in him personally and his loyalty becomes stronger than ever before.

In addition, we get a pretty accurate picture of how well or how poorly our managers are training their men. As you will agree, it is very difficult to find out what's actually happening in an agency without asking embarrass-ing questions. As part of the career analysis procedures, however, we get the real low-down in a natural unforced way.

Finally, we are assured we are on the right track because as the CAP is Most of the time the agent comes becoming better known to our manto the same conclusion as do the interviewers. In other words, the upon us increasingly for its use.

Your future with this company can grow . . . and grow:

New Group Facilities—Life and A&H!

Ask any North American Agent what he thinks of his contract! It's unbeatable!

New, Streamlined Life Portfolio!

**Outstanding Agency Contract!** 

# CENTRALIZE your INSURANCE NEEDS with CENTRAL

JOHN D. SHAFER, President

LIFE . ACCIDENT AND HEALTH . Agencies — Ohio . Indiana . Virginia

# **ACTUARIES**

#### **CALIFORNIA**

#### COATES, HERFURTH & ENGLAND

**Consulting Actuaries** 

San Francisco Denver Los Angeles

#### MISSOURI

#### **NELSON and WARREN**

**Consulting Actuaries** Pension Consultants

ST. LOUIS

KANSAS CITY

#### GEORGIA

#### RINTYE, STRIBLING & ASSOCIATES

Consulting Actuaries — Insurance Acco

William-Oliver Bldg. JAckson 3-7771

#### GA.-VA.-N.Y.-ME.

BOWLES, ANDREWS & TOWNE, Inc. ACTUARIES
MANAGEMENT CONSULTANTS
LIFE—FIRE—CASUALTY
EMPLOYEE BENEFIT PLANS RICHMOND

ATLANTA PORTLAND

# NEW YORK

#### Wolfe, Corcoran and Linder

**Consulting Actuaries** Insurance Accountants **Employee Benefit Plan Consultants** New York 38, N. Y.

Lenard E. Goodfarb, F.S.A.

**Consulting Actuary** 

Market Street National Bank Building

Philadelphia 3, Pa. Rittenhouse 6-7014

PENNSYLVANIA

#### ILLINOIS

#### CARL A. TIFFANY & CO. CONSULTING ACTUARIES

211 West Wacker Drive CHICAGO 6

Telephone CEntral 6-1288

#### E. P. HIGGINS & CO.

(Frank M. Speakman Associates)

Consulting Actuaries

Bourse Building

Accountants

Phila. 6, Penna.

#### CHASE CONOVER & CO.

Consulting Actuaries and Insurance Accountants

Telephone WAbash 2-3575

332 S. Michigan Ave. Chicago 4, III.

#### Harry S. Tressel & Associates

Consulting Actuaries
Pension Consultants
10 S. LaSalle St., Chicage 3, Illinois
Harry S. Tressel, M.C.A.
Alan K. Peterson, A.S.A.
D. W. Sneed
Parablia 2,4000
Wm. P. Kelly

FRanklin 2-4020

Milliman & Robertson, Inc.

WASHINGTON &

CALIFORNIA

#### **Consulting Actuaries**

914 Second Ave.

400 Montgomery St.

NATIONWIDE

Seattle 4, Wash.

San Francisco 4, Calif.

#### DONALD F. CAMPBELL

Consulting Actuary

188 W. Randolph St.

Chicago 1, Ill.

# THE Howard E. Nyhart Company

CONSULTING ACTUARIES

INDIANAPOLIS

LOUISVILLE . LOS ANGELES

#### IND. & NEB.

#### Haight, Davis & Haight, Inc.

**Consulting Actuaries** Insurance—Pensions

2801 North Meridian St. 5002 Dodge St. Indianapolis 8, Ind. Omaha 32, Neb.

#### Irwin Solomon & Co.

**Consulting Actuaries** Management Consultants 342 Madison Avenue New York 17. N. Y.

UNCED 1886

# North American Accident Insurance Company

Licensed to operate in the 48 states and the District of Columbia LIFE . ACCIDENT . HEALTH 209 SOUTH LA SALLE STREET · CHICAGO 4, ILLINOIS

XUM

looide it's no

Would

The

tice in

agent

author

section

Amo

includ

be pure

Many

be incl

with st

some, l avoid s followin

agent h

ing co

If we

bout p

ters of

way to terests ritally i hought effective rious the insuludges 1

Burrio

To Co urance ind Nat

riters.

Believi

ompany,

the bu

orial em

and a losest re

lis sense shed and

# More Announcements Of 1959 Dividend Scales

Name of Company Current Policies	Old Policies		With	Accum. Div'ds.	Name of Company	Current Policies	Old Policies	Funds Non with- draw- able	With draw-		
AetnaNew Scal	Same as '58	3.25	3.25	3.25	National Life & Cas	Same as '58	Same as '58	2.5	2	4	
Crown LifeSame as '	8 "	3.5	3.5	3.5	National Travelers	"	**	3	3	3	
Farmers & Traders "	91	Guaranteed	Rate	3	Northern Life, Can	**	**	4	4	4	
Life & Casualty, Tenn. "	99	2.5	2.5	3	Occidental, N. C	**	**	3.5	3.5	4	
Lutheran Mutual"	**	3	3	3.6	Provident Mutual	**	**	3.25	3.25	3.25	
Mutual Benefit, N. J "	Modified	3.20	3.20	3.05	Southwest Reserve	99	**	3	2.5	3	
Mutual Life, N. Y	Same as '58		3.25	3.25	Western Bankers	,,	**	3	3	3	

#### **AALU** President For **Full Lapse Disclosure**

(CONTINUED FROM PAGE 2)

Assistant Superintendent Sackman stating that "this conference has been called for the purpose of discussing the problem with company officials and it would be inappropriate to include anyone other than a company official at this time."

Nevertheless, there are certain views that I would like to get before the people who will be attending the conference and before others in the business, as well. Perhaps you would be

willing to do this by printing this let-whether this is a wise move or not

One of the very serious problems that will undoubtedly be discussed is the surrender of existing insurance, replacing it with a minimum deposit plan, and investing the difference in mutual fund shares or other equities.

Except for a difference in philosophy, no one seems to have raised the question whether this is an intelligent business move or not. It will not be the purpose of this letter, then, to discuss the wisdom of such a move. Certainly it is not within the province of the New York department to judge

but it is within the department's scope of authority to judge whether a "twist" is involved or a legitimate recommendation based on a full revelation of the facts involved.

Boiling it down, the big question is that of replacing old policies. This is a problem to reckon with, whether the minimum deposit plan is involved or not, as the awareness of inflation has infected policyholders to the extent that they will listen to any reasonable story involving the "dead money in life insurance cash values vs live mon-ey in investment equities."

It seems to me, therefore, that a whole new look needs to be taken at the question of replacements. Assuming the agent is honest and wants to do the job properly, he must-in order to recommend that existing insurance be lapsed-make a complete analysis of existing insurance. If the analysis is complete in every aspect and all the pros and cons are on paper, it is my understanding that the New York department has no interest if the in-sured lapses old policies and replaces with new-assuming of course that it is to his advantage to do so, on the basis of all facts at hand.

The New York insurance law, in

section 127, sets up very specific en teria as to information to be furnis where a surrender or lapse is involved if the agent is not to lay himself ope to charges of misrepresentation, mi-leading statements or incomplete conparisons. The section stated in part:

"Any comparison of the policies contracts of any such insurer . . . sh be deemed to be an incomplete comparison if it does not compare in deta the gross premiums, less any dividen a star or other reduction thereof allowed the insurer . . . at the date of h comparison, the increase in any values and all the benefits provide tion ca by each of such policies or contract for the possible duration of such polior contract, to be determined by the life expectancy of the policyhold the po The omission from any comparison any benefit or value provided in an such policies or contracts or of an tion d longer difference as to amount or period year b payment of premiums, or of any expecta ferences in limitations or conditions of divi provisions which directly or indirect affect the benefits thereunder, she expecta the an constitute such comparison an incotures i plete comparison."

There is obviously only one way get such information on an authe basis and that is to write to the ho office of each company whose insu every i of exist This m ance the insured is considering givin up. Generally reference books are in lied upon for this information; selden does an agent ask a home office for i And seldom does an agent comp with the statutory requirement to comparisons must be carried through the insured's life expectancy.

But if full information is available to the agent by the insure of the existing policies, if the agent makes an honest and complete com-



# A Pro In His Profession

The man on the right is a pro in his profession.

To the BMA representative, this means providing for his client the greatest possible protection, friendly assistance and personal interest in his family's welfare. The BMA representative has been well trained and knows how to use the tools of his profession to solve business and tax problems, as well as family needs.

Just one of the many special services he has to offer is the BMA "22"-"30" Savings Plan. It saves three kinds of dollars for his client - for retirement, for his family in case of death and for cash emergencies.

It's well designed plans like this that enable the BMA representative to do a professional job in every situation.



Business Men's Assurance Company of America

Home Office: BMA Building, Kansas City 41, Missouri

Accident and Health Major Medical Expense Annuities Reinsurance Hospitalization Group Plans

# Service with experience



# R&S INSURANCE PRI

POLICIES: Life · Accident & Health Fire & Casualty—all lines

MANUALS: All types

**OTHER: Annual & Special Reports** 

Advertising Literature • Office Forms

For full information and quotations write Dept. NL

### RECORDING & STATISTICAL CORPORATION

SALES

NATION-WIDE SERVICE

176 Broadway . New York 38, N.Y. CHICAGO 6, ILL., 223 W. Jackson Blvd., HArrison 7-7357

CHICAGO 6, ILL., 223 W. Jackson Bivd., HARTISON 7-1337 DES MOINES, 10WA, 3119 Victoria Drive, Blackburn 5-1622 MINNEAPOLIS, MINN., 3841 Drew Ave., South, WAInut 2-5922 NEW YORK 38, N. Y., 176 Broadway, BEekman 3-4434 ORANGE, CAL., 471 N. Shaffer, KEllogg 2-1162 TORONTO 2B, CANADA, 650 King Street West, EMpire 2-3257 PRINTING PLANTS: Danville, Illinois • Boston • Toronto

\* "Insurance printing and statistical service for more than half a century"

XUM

eads for litors. In add ontribute e week lected hi es of t ertinent oduced rs to th ontribute

nd perso rm of "I ent," ar d tribul er the ld Ironsi Always

ny busi countr

policies a

such polic

of any dis

onditions or

r indirection inder, shall an incom-

one way

n authenti

hose insu-ering givin

ooks are re-

office for t

on is made the insure f the agen nplete con-

furnishe quired by section 127, then, if the sinvolved insured, with all these facts at hand, miself ope decides to surrender—God bless him, ation, mis it's nobody's business but his own.

plete continuance of such ance officials have issued state an advantage.

New York Life Opposes Minimum Deposit

(CONTINUED FROM PAGE 4)

built around the continuance of such ance officials have issued state an advantage.

Therefore, it becomes necessary— and it should be made standard pracand it should be made standard prac-plete contice in every case of replacement—for re in deal a standard form to be completed by y divided the company having the existing inthe company having the existing insurance. This would furnish to the agent (at the insurance's request and allowed by surance.

ate of the agent (and any cast authorization called authorization) all the needed informa-tion called for under the provisions of ection 127 that I have quoted.

Among other items, there should be included such information as whether the policy has the old disability in-come provision, and if so its expiration date and the fact that it is no longer being sold; the policy reserve year by year through the insured's life expectancy; year-by-year projections of dividends throughout the insured's expectancy; guaranteed rates under the annuity option; any unusual fea-tures in the policy that can no longer be purchased.

Many more items could and should be included. This type of information, with statements as to incontestability and the suicide clause, should back up every illustration where a replacement of existing insurance is recommended. This may seem difficult and botherme, but ultimately it will help to some, but ultimately it will loss avoid some very nasty situations. By following a practice of this sort the ent completement the ried through agent himself will be protected in addition to the policyholder and the is-

suing company.

If we are all sincere in what we say about protecting the public in matters of this kind, I know of no other way to make sure that the public's interests will be safeguarded in this itally important area. Certainly the houghtful agent will realize that some ffective way must be found to avoid rious trouble with the public, with the insurance departments, and with sudges like the one in Honolulu who essed a \$25.000 verdict for misrepresentation in the Knox-Anderson se, now on appeal.

#### Burridge Contributed To Company's Growth

(CONTINUED FROM PAGE 1) ce Agency Management Assn., nd National Assn. of Life Under-

Believing, as did the founders of the mpany, that news of what is going n is of the utmost importance to those the business, he has kept the edirial emphasis on that feature. He and always has been one of the sest readers of the two weeklies. is sense for news never has diminhed and he has continued to furnish ads for news of importance to the ditors.

In addition he has continued to ontribute editorials and articles to be weekly papers. These have reected his keen interest in the for-mes of the business. They have been rtinent and provocative and have oduced an unusual number of leters to the editor. In earlier days he intributed pieces on topical matters ad personalities in the news in the orm of "Letters From a Bush League gent," and later dealt with the trials nd tribulations of the special agent nder the heading "In the Field With ld Ironsides."

Always a frequent traveler on comany business, as he moved around cooperative type of relate country he called on leaders in all those in the company.

tax advantage, even for those in high enough tax brackets to make the plan look good on paper, is largely a "snare and delusion." Most people to whom large amounts of insurance can normally be sold are able to pay the full premium in cash. Where such an individual, however, is persuaded to use the policy loan financing plan, it is assumed that he will invest his remaining funds each year. If he does this and realizes (before taxes) a yield exactly equal to the policy loan interest rate, he will wind up (after the taxes he must pay on the income from his investment) in precisely the same position as if he had paid the premium in cash and had not borrowed.

#### Quotes Abraham Lincoln

Abraham Lincoln said, "You cannot bring prosperty by discouraging thrift
—you cannot establish sound security on borrowed money." We firmly be-lieve that cash value life insurance better serves the interests of policyholders than decreasing term insurance-no matter by what name this term insurance is called.

We believe we should encourage people to "own" their life insurance and not to "owe" their life insurance. Some time during their lives most people need the advantages of "the guaranteed dollars" provided by cash value types of life insurance. Minimum deposit arrangements defeat this important emergency aspect of life insurance policies, since such arrangements inherently involve the piling up of indebtedness instead of building up policy values.

So numerous have become the complaints against the indiscriminate use of the plan at the expense of established business that some state insur-

the business to discuss their problems. These discussions furnished the material for editorials and for talks which

he has given on many occasions. He always has been alert to developments of needs in the business and has initiated many publications to meet those needs. He had much to do with the development of "Diamond Life Bulletins," the "Fire, Casualty & Surety Bulletins," the "Little Gem," the "Unique Manual Digest," the "A&S Bulletins," and others.

When he took over the sales activities of the company, Mr. Burridge applied modern methods to this division. He opened up new offices. He develthe organization in depth by reducing the size of the territories salesmen were covering and increased the number of salesmen. The results were successful.

From the start as the company's first sales manager, he operated with the closest kind of relations with men in the field. When he had an important assignment to make, a quota to set up, a territory to change, or prices to revise, he went into the territory personally to consult with the salesman and get his viewpoint on the changes and the best methods for making them effective. When a man acted responsibly, there were no orders or fiats from above. His men thought of him as a partner and not a boss.

With his elevation to higher rank he has maintained this warm, friendly, cooperative type of relationship with

built around the continuance of such ance officials have issued statements regarding the allegations of misrepresentation, rewriting, twisting, raiding, policy "stripping" and outright re-placement of permanent life policies. In New York state, the superintendent of insurance has called a meeting on Dec. 5 of all New York companies to discuss the problems posed by the minimum deposit plan.

We are reliably informed that some of the companies issuing the plan are experiencing a high lapse ratio and a steadily rising number of complaints from policyholders who allege they were misled or inadequately informed. Dissatisfied policyholders will pose a bad public relations problem for both the agents and the companies.

There is nothing wrong with legitimate sales procedures which lead to increased production of new insur-ance. There is a great deal wrong with thinking and acting as if mere production of new sales is justified on a basis of selling nothing but accumulating debt-often at the expense of established business already on the

#### Timetable For NAIC Convention Given

tee, Humphreys of Massachusetts, chairman; Binning of Nebraska, vice-chairman. 1. Valuation of securities. Subcommittee

report.
2. Any oher matter submitted for con-

9 a.m.—Examinations committee, Humphreys of Massachusetts, chairman, Sullivan of Washington, vice-chairman, roctice and procedure manual revisions. Subcommittee report.

2. Any other matter submitted for consideration.

10:30 a.m.—Life Insurance.

sideration.

10:30 a.m.—Life Insurance Committee, Sheehan of Minnesota, chairman, Leggett of Missouri, vice-chairman.

1. To study the subject of group life. Subcommittee report.

2. Commercial pension funds and trusteed welfare funds. Subcommittee report.

3. Variable annuities and pension plan funding. Subcommittee report.

4. Deficiency reserves and mortality table review. Subcommittee report.

5. To study use and application of minimum group life insurance rates under state laws. Subcommittee report.

6. Any other matter submitted for consideration.

6. Any other matter summaries sideration.

10:30 a.m.—Non-profit hospital and medical service associations committee. Smith of Pennsylvania, chairman, Palmer of Indiana, vice-chairman.

The problems of reimbursement form

e-chairman.

1. The problems of reimbursement formu-between hospitals and service associations. committee report.

2. To study greater standardization of the Cross-Blue Shield regulations. Subcom-

3. Any other matter submitted for consideration.

15 p.m.—A&H Committee, Knowlton of Hampshire, chairman, Hayes of Louisiana,

New Hampshire, chairman, Hayes of Louisiana, vice-chairman.

1. To study reserves for guaranteed renewable A&H policies. Subcommittee report.

2. Regulation of advertising. Subcommittee report.

3. House confinement provisions in policies of A&S insurance. Subcommittee report.

4. Definitions of "non-cancellable insurance" and "guaranteed renewable insurance." Subcommittee report.

2:45 p.m.—Blanks committee. McConnell, of California, chairman; Howell of New Jersey, vice-chairman.

1. Welfare and pension fund blanks. Sub-committee report.

ittee report.

Title and mortgage guaranty blank.
mmittee report.

Any other matter submitted for con-

2:45 p.m.—Insurance covering installment sales and loans committee, Larson of Florida, chairman, Wikler of New York, vice-chair-

man.
1. Insurance problems in connection with installment sales and loans. Subcommittee

report.

2. Credit life and credit A&H model bill legislation. Subcommittee repot.

3. Any other matter submitted for consideration.

9 a.m.—Executive committee, Beery of Colorado, chairman, Navarre of Michigan,

Colorado, chairman, Navarre of Michigan, vice-chairman.

1. To study future sites for NAIC meetings. Subcommittee report.

2. To study operations of the executive secretary's office. Subcommittee report.

3. Executive secretary's report.

4. Blanks committee report.

5. Preservation of state regulation committee report.

6. Any other matter submitted for consideration.

sideration.

2 p.m.—Plenary session—2. Northington of
Tennessee, president presiding.
4 p.m.—Plenary executive session—3. Northington of Tennessee, president presiding.

New life insurance paid for during October by Equitable Life of Iowa amounted to \$15,792,551, the largest October production ever and a 20% gain over October 1957. This brought the total of new ordinary paid for during the first 10 months of 1958 to \$140,181,439, and increased total business in force to a new high of \$1,625,-893,602 at the end of October. The Kansas City agency, H. A. Hedges, general agent, placed first during the month.

Protective Security Life of Los Angeles has been licensed in Montana.

#### WANT ADS

Rates—\$22 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 4 P.M. Friday of week before publication in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment

THE NATIONAL UNDERWRITER— LIFE EDITION

### WANTED **TRAINING** DIRECTOR ...

Who is capable of building his own program from the ground up. Must have successful background in train-ing and a min'mum of five years ex-perience in the field. Age 28-44.

The opportunity is open with a new company offering all of the right advantages:

- Young progressive management, chance of a lifetime
- · Full portfolio
- \$400,000,000 parent corporation
- Complete employee benefits including corporate profit sharing
- · Los Angeles Home Office

The salary is open.

Write Box No. D-8, c/o the National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

#### IBM

#### **Accounting Supervisor**

Life insurance company seeks supervisor for remium and commission operation in Philadel-hia area. Home office collection method using phia area. Home office collection in rhilddel-phia area. Home office collection method using IBM machines. Excellent working conditions and fringe benefits. Salary will be commensurate with experience. All replies confidential. Please reply giving full details of experience to Box D-49, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, III.

# HOME OFFICE LIFE UNDERWRITER

Progressive Mid-West company is looking for a man capable of eventually handling top level assignment including supervision of staff of layunderwriters. Should have 2-5 years experience in Home Office Life Underwriting, Assignments and salary commensurate with experience and ability. Send complete résumé with personal data, business experience and recent photograph. Our employees have been informed of this ad. Address Box D-47, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

#### ACTUARIAL STUDENTS

Opportunity to grow with New England Consulting Actuarial firm, within fifty miles of New York. Students who have passed one or more of the Associateship examinations of the Society of Actuaries. Reply Box D-48, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

VL.

Y.

-7357 rn 5-1

pire 2-3257 oronto

a century"

nut 34

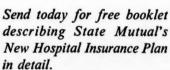
RATIO



# NON-CANCELLABLE TO 65... GUARANTEED CONTINUABLE FOR LIFE

**NEW STATE MUTUAL HOSPITAL INSURANCE**Contains Many Sales Features:

- Available to families and individuals.
- Coverage begins on policy date no waiting period.
- Available with or without \$50 deductible.
- Issued to adults ages 18 to 85.
- Insured wife becomes policyholder upon death of husband.
- Children eligible for family coverage from 2 weeks to 18 years.
- Newborn children automatically covered at 2 weeks of age to end of then current premium period at no additional cost. Additional premium thereafter.
- Pays variable maximum up to \$20 a day room and board; up to 90 days for each hospitalization and up to 10 times daily rate for hospital services.
- Maternity benefits in-hospital, 10 times daily rate; non-hospital 5 times daily rate. No deductible.
- Optional benefits available for surgical procedures and in-hospital physician's calls.
- Participating.





STATE MUTUAL LIFE ASSURANCE COMPANY OF AMERICA WORCESTER, MASSACHUSETTS

Please send me full details about your new Hospital Insurance Plan with a Lifetime Guarantee.

Name\_

ompany\_

Street -

City\_\_\_

State\_\_\_\_

STATE MUTUAL LIFE
ASSURANCE COMPANY OF AMERICA
Home Office: Worcester, Massachusetts

ntation

Abel

omr

Boyd

at post a General

ector in

pointed the boar

eon an

npany,

wealth

time.

the invest d two year d member fore joini